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**Cultural Dynamics in Global Markets: An Interdisciplinary
Exploration**

By

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Abstract

This study investigates the interplay between cultural dynamics and global markets, focusing on how cultural influences shape consumer preferences and business strategies amid international expansion and technological advancements. Employing a mono-method quantitative design, the research utilizes Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze data collected from 217 respondents via structured questionnaires distributed through Qualtrics. The findings reveal that cultural differences significantly impact brand perception ($\beta = 0.907$) and purchase intention ($\beta = 0.839$), underscoring the importance of cultural alignment in consumer decision-making. But cultural values alone do not predicts strongly purchase intention, which means there is also a powerful role for global market trends. Additionally, perceived cultural barriers negatively affect business performance ($\beta = -0.229$), with cross-cultural communication mediating this effect ($\beta = -0.249$), highlighting the necessity for culturally adaptive communication strategies. While cultural intelligence enhances market adaptability ($\beta = 0.618$), its direct effect on business performance is not significant, suggesting that adaptability must be complemented by other strategic efforts. The study also finds that cultural diversity fosters creativity but does not directly lead to competitive advantage, as evidenced by the weak effect of innovation on purchase intention ($\beta = -0.041$). Furthermore, digital marketplaces enhance cultural adaptability ($\beta = 0.809$) but have a weak direct effect on consumer engagement ($\beta = 0.091$), emphasizing the need for personalized engagement strategies. Finally, businesses that successfully manage cultural complexities and embed the same into their strategic constructs tend to be more successful in the global market. Correspondingly, one of the recommendations is cultural intelligence training along with glocalization strategies, digital engagement, as well as universal product attributes to respond to changing consumer needs.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The world has seen a profound global change in the global marketplace in recent years, as multinational corporations are faced with the task of not only economic and logistical issues but also complex cultural dynamics that have an impact on consumer preferences, brand perception and ultimately the level of market participation (Akram et al., 2022; Rana and Sharma, 2019). It is the globalisation which emerged as a major force in the 1980s that has helped businesses to penetrate international markets more easily for the companies to adopt strategies that seek to balance a global potential with relevance at the local level (Cherunilam, 2020). In this context, the development of international marketing strategy is standard in some aspects but proves to be highly adapted to the different cultural settings (Paul and Sanchez-Morcilio, 2019). Nevertheless, the entry into new markets is not without its adversities, as it relates to cultural conformation and the necessity of teaching a sense of in and of the different nuances in the local populace that considerably premise the consumers' practise and the market reaction (Solberg & Huse, 2024).

In a global era, viral marketing has been used as a powerful means to enable companies to break away from its limitations as it embraced the power in digital platforms to reach a worldwide consumer (Bhattacharya et al. 2019; Mukherjee et al., 2023). With multinational corporations such as Apple, Coca-Cola, and Samsung using cultural marketing dynamics in global markets to expand brand visibility, the viral marketing strategies have relied more on culturally sensitive content that emotionally appeals to consumers cross culturally (Li, Larimo, & Leonidou, 2021; Tafesse & Wood, 2021). Such strategies are only as effective as the brand's ability to hit the local culture in at least three pillars: adapting the content to fit the technological landscape and the social fabric of each target market. Viral marketing can still be a critical factor in maintaining business market competitiveness in a competitive, crowded global market where consumer trust and brand credibility are based upon cultural relevance and authenticity of the message (Dwivedi et al., 2021).

At a time when rapid digital transformation of consumer interactions necessitates brands' ability to compete with immediacy and interactivity of digital communication (George, 2024), this creates

a further complex issue of the cultural adaptability. Today, in cyberspace where borders become virtually meaningless, brand messages can reach beyond borders in seconds, and global firms need compelling marketing content that is culturally relevant but transcends cultures and language barriers, build emotionally appealing connexions with consumers (Appel et al., 2020; Katsikeas et al., 2019). In particular, video content has exhibited unique potential to reach global audiences through prompts that engender emotional responses and thus a sense of connexion across culturally diverse settings (Taneja et al. 2024). Multinational corporations still struggle with the always daunting task of walking the line between global brand consistency and local cultural relevance; a process as complex and riddled with risk as it is (Ekemezie & Digitemie, 2023; Cheng et al., 2023).

Globalisation presents great business opportunities for expanding and diversifying but it requires higher awareness to the cultural aspects of marketing strategies (Homer & Lim, 2024). This suggests that in the presence of deeply embedded cultural values that standardised marketing strategies may not speak to what consumers find most appealing in each market, bringing to light the power of adaptive marketing strategies to align with consumers' unique cultural attributes (Haeruddin et al., 2023). Further, the concept of cultural intelligence becomes essential for marketers to learn about, utilise as well as leverage on such diversity for competitive edge. Through developing an awareness, the depth and breadth of this cultural nuances, businesses are able to enhance marketing messages, to develop trust among consumers, creating a stronger brand equity in diverse global markets (Tewari et al., 2024).

Also, previous literature tends to disregard the important contribution that interdisciplinary thinking, based on sociology, anthropology, and psychology, can make to a full understanding of the cultural aspects that inform consumer behaviour in global markets (Da Fonseca and Campos, 2021). Cultural intelligence is the ability to understand more than just surface level cultural items; it encompasses an understanding of how cultural values or social norms influence consumer behaviour and decisions (Li et al., 2024). Businesses can benefit from using an interdisciplinary perspective to creatively combine insights from multiple academic disciplines, including applied anthropology, political economy and media studies to take a more holistic tack to marketing by considering the tangible and intangible cultural factors which shape consumer behaviour (Ali et. al, 2020). By providing a framework which enables businesses to overcome cultural barriers in

market entry, product positioning and communication strategy through an interdisciplinary approach, this framework will help businesses ensure sustained growth in a globalised world.

1.2 Statement of the Problem

With the ever-new development of globalisation, the dynamics of international marketing are becoming more and more sophisticated, and require Multinational Corporations to modify their marketing strategies to match the intricacies of the demography of their target markets (Ricciardelli & Decastri, 2024). After a long way in global marketing, existing literature provides a relatively little discussion of the challenges that multinational firms must cater to in adapting to local cultural landscape (Ocelik et al., 2023). Pursuing the investigation of the ways in which culture plays its influence upon key disciplines in marketing topic such as market entry strategies, product positioning, and consumer engagement is (Gillespie & Swan, 2021). This lack of understanding also denudes the capability of businesses to craft smart global marketing installation that acknowledgements varied buyer bases.

Global marketing by multinational corporations involves a lot of risk. The most serious problem is failure to appreciate cultural differences affecting consumer behaviour and market response (Kotabe & Helsen, 2022). In fact, companies often take a standardised approach to their marketing, that then does not consider local culture differences, leading to poor reception and decreased brand loyalty (Hult et al., 2022). However, the limited success of a few viral marketing campaigns in culturally diverse markets indicates the importance of adopting a differentiated strategy, instead of the use of a one size fits all approach (Bush & Lindsey, 2024; Cheah et al, 2024). The problem of cultural misalignment in global marketing is addressed by this research through the analysis of the role of cultural intelligence and adaptive marketing strategies tailored to address the specific needs and preferences within local markets.

Another critically important issue here is that current global marketing research is largely lacking interdisciplinary perspectives. The abundance of market literature about consumer behavior and branding strategy contains limited adoption of essential theories from anthropology sociology and psychology despite providing deeper cultural research potential (de Waal Malefyt & Morais, 2020). Marketing strategies that do not consider essential cultural factors which affect consumer behavior lead companies to develop ineffective communication strategies for their target audiences

according to Dwivedi et al. (2021). This research implements a multi-disciplinary methodology to provide complete insight into cultural market variables that companies need to effectively navigate their global market barriers.

Global brands have achieved their broadest worldwide market extension capabilities through the rapid growth of digital platforms according to Swaminathan et al. (2020). Businesses require their digital marketing content to meet dual expectations of heritage relevance alongside linguistic and cultural barrier circumvention (Kamal and Himel, 2023). Every digital time-bomb promises fast brand awareness without costs yet works best when message understanding faces challenges between project and consumer cultures (Vredenburg et al., 2020). This research investigates how firms can enhance viral marketing effectiveness as well as international consumer connection through cultural understanding of marketing messages and psychological matching.

The last is to explore the strategic role of cultural intelligence playing in enabling multinational corporations to utilise cultural diversity as a lever to innovation and competitive advantage (Porath, 2023). In global marketing, cultural intelligence has emerged as a critical asset, i.e., the ability to read and take adaptable measures to deal with different cultural contexts (Setti et al., 2022). Businesses employing effective cultural intelligence grow ready to create marketing initiatives which appeal to both international standards and domestic preferences (Paiuc, 2021). This research investigates cultural intelligence's effectiveness for the business in closing cultural differences while developing targeted marketing plans for consumers within close proximity.

1.3 Aim and Objectives of the Study

This research examines cultural dynamics alongside global markets to determine how market actions and consumer choices and corporate strategies shift because of cultural elements in international expansion zones with fast-moving technology. Specific objectives that will lead to the achievement of the study's main aim include;

1. Explore how globalization serves as a catalyst, intensifying the imperative for understanding cultural influences in global markets.

2. Investigate the challenges businesses encounter in transcending cultural barriers during international expansion, particularly in market entry strategies, product positioning, and communication campaigns.
3. Examine the role of cultural intelligence in shaping business strategies in the international context, exploring practical applications for effective decision-making.
4. Explore how companies can strategically harness cultural diversity to foster innovation and gain a competitive advantage in the global marketplace.
5. Investigate the evolving nature of cultural dynamics in the digital age, assessing the implications of rapid technological advancements and the rise of digital marketplaces on global market practices.

1.4 Research Questions

These questions touch upon the interdisciplinary nature of this study, incorporating elements from anthropology, sociology, economics, and international business.

1. How do cultural influences manifest in market behaviours and consumer preferences across diverse global regions?
2. What are the challenges businesses face in transcending cultural barriers during the process of globalization?
3. How can cultural intelligence be strategically employed to enhance business strategies in the context of international markets?
4. In what ways does cultural diversity contribute to innovation and competitive advantage for companies operating in global markets?
5. How have rapid technological advancements and digital marketplaces reshaped the landscape of cultural dynamics in the contemporary global market?

1.5 Significance of the Study

1. The study provides strategic insights for businesses aiming to navigate and overcome cultural barriers during international expansion.

2. The interdisciplinary approach adopted in this research contributes to the academic discourse by integrating perspectives from anthropology, sociology, economics, and international business.
3. By exploring the role of cultural intelligence and the ways companies can harness cultural diversity, the study offers insights into fostering innovation and gaining a competitive advantage in the global marketplace.
4. The findings of the research have potential policy implications, informing policymakers about the challenges and opportunities associated with cultural dynamics in global markets.

In the context of rapid technological advancements and digital marketplaces, the study evaluates the evolving nature of cultural dynamics, guiding businesses in adapting their strategies to the digital age and reevaluating traditional market analysis frameworks.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This literature review analyses the multifaceted relationship between culture and global business strategies and, thus, offers a conceptual framework for identifying the cultural issues that affect business operations in international markets. Today, the world is a global village due to technological advancement and globalisation, thus making it important for organisations to understand culture differences. Drawing on the literature from international business, sociology, anthropology, and economics, this chapter explains how culture influences market, consumers, and business strategies. From an analysis of the effects of globalisation on cultural systems, the difficulties of operating across cultures in international business, and the importance of cultural sensitivity in business strategy, the review also examines the contribution of cultural pluralism to innovation. Also, this chapter elaborates on the role of digital technologies in changing cultural exchanges within the market system. Cultural Intelligence Theory and Hofstede's Cultural Dimensions are also discussed in this chapter as important theoretical frameworks on which understanding and management of cultural issues for effective strategies in international business can be based. By analysing the identified elements, the literature review outlines the gaps in the present research to establish how this study could enrich the current research on cultural intelligence, strategic adaptation, business activities, and competitive advantage in the globalisation context.

2.1 Globalisation and Cultural Dynamics

Steger and James (2019) posit that globalisation provides a stimulus for a closer examination of global cultural impacts on market conduct and consumer choice. This view of Steger and James (2019) shows that firms intending to venture into the international market have to understand cultural factors as a way of achieving their aims in various regions of the world. This is in agreement with Hopper (2007) who points out that organisations are confronted with numerous problems when they internationalise.

The existing literature on globalisation also underpins this research and aligns this work with other scholarly contributions to the debate on the role of culture in international business strategies

(Gannon, 2007; Steger and James, 2019; Hopper, 2007). The following sub-sections will shed light on how globalisation and cultural dynamics interplay in business.

2.1.1 Globalisation and Market Behaviour

Globalisation has changed consumer behaviour by creating a link between standardised worldwide strategies and the cultural differences that are characteristic of particular markets. Figure 1 below shows the evolution of globalisation and its impact on cultural systems. This study establishes that as the global economy integrates, consumers are exposed to both standard and adapted products, which influence their buying behavior in complex ways. Recent research shows that globalisation increases standardisation but also strengthens consumers' local identity and therefore generates a global-local duality (Sharifonnasabi, Bardhi, and Luedicke 2019).

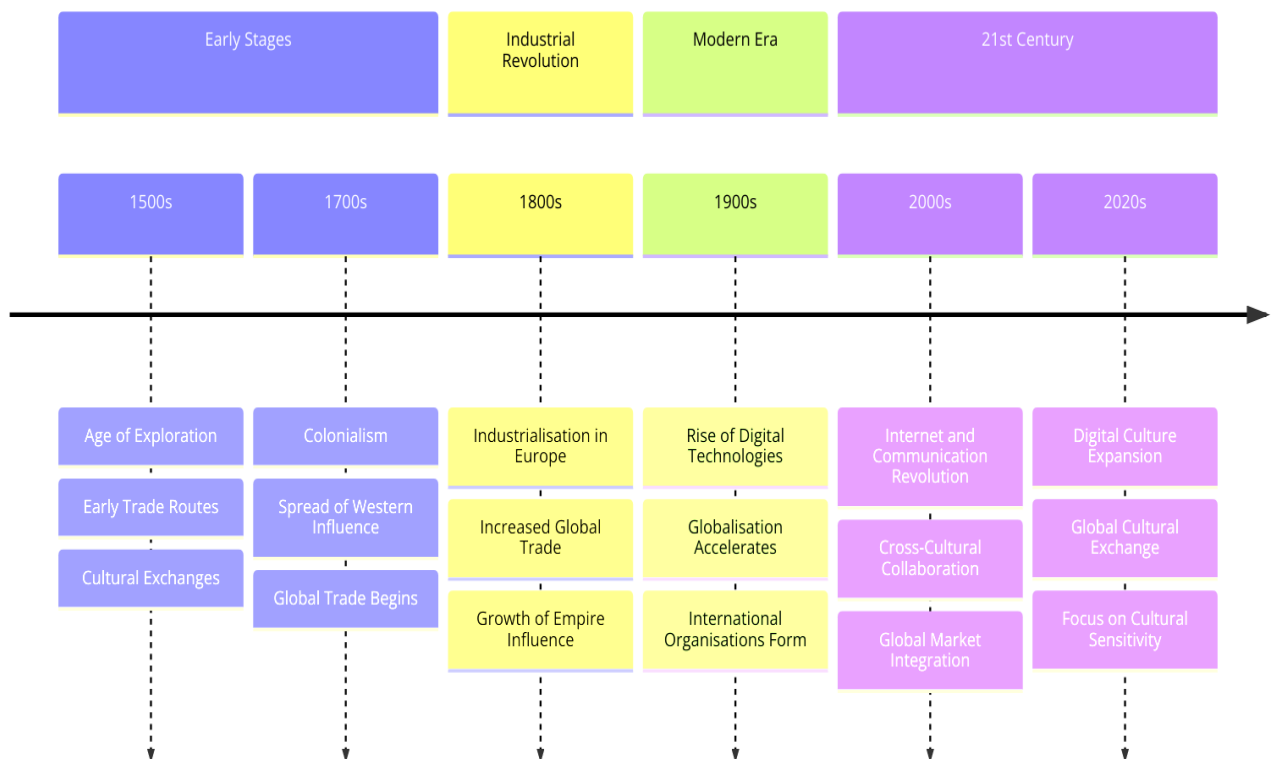


Figure 1: Impact of Globalisation on Cultural Systems (Created by Researcher)

A prime feature of this transformation is the manner in which the globalisation of consumer culture shapes the perception of brand on a cross-regional basis. Mandler, Bartsch and Han (2020) examined this shift and established that the German market, for instance, now values brand

authenticity more than ever due to high market globalisation. On the other hand, in the economies that are rapidly integrating into the global market such as South Korea, the concept of globalness in branding is still associated with quality and, therefore, enhances brand credibility and loyalty (Mandler, Bartsch and Han, 2020; Sichtmann, Davvetas and Diamantopoulos, 2019). This is because global brands need to balance between the global and local approach in their branding strategies, a concept that has been referred to as glocalisation by Steenkamp (2019). The expansion of glocalisation enables brands to preserve their global identifications by tailoring localized product offerings for distinct regional cultures according to Robertson (1995) and Kravets and Sandıkcı (2014).

Consumer culture theory (CCT) constitutes one of the newer globalisation theories which expands our understanding of glocalized consumer behavior through conceptual divisions of behavior into homogenisation and deterritorialisation and glocalisation. The findings of CCT science demonstrate how brands accomplish worldwide market entry through localized adaptations to their products so they connect better with consumers, (Sharifonnasabi, Bardhi and Luedicke, 2019). The strategic selection captures how consumers want their brands to present both local cultural elements and worldwide standard production and distribution. (Ramazanov *et al.*, 2021).

In addition, the recent trend of globalisation has been accelerated by the quick growth in digitalisation of markets which enhances consumers' access to global brands and their decision making through digital interfaces. Ramazanov *et al.* (2021) show that as digital channels amplify the globalisation of markets, consumers' tastes and behaviours are becoming ever more attuned to the notion that they should be able to engage with and consume products in ways that are culturally sensitive and easily accessible due to the possibilities offered by the internet (Ramazanov *et al.*, 2021). The digitalisation of the consumer has increased the consumers' access and hence exposure to the global products thus what some researchers have termed as 'digital glocalisation' whereby the online platforms provide the global products with localised features to meet the consumer's needs of the specific region (Ghemawat, 2017).

The third aspect of the globalisation of market behavior is consumer identity formation. In their study, Sharifonnasabi, Bardhi and Luedicke (2019) describe how global brands contribute to the process of identity formation in which consumers choose those brand stories that are consistent with their cultural paradigm and reject those that contradict it. This is evident also in Steenkamp's

(2019) study where he found out that in global markets, consumers utilise global brands to exhibit local or even national culture which makes cultural pride part of their interaction with the global brands.

At this stage, the signaling theory comes into play because it defines the process through which consumers use brand information, including the country of origin, global image, and local adaptation, to perceive brand quality thereby laying down a foundation on how consumers use the perceived brand credibility as a way of determining the authenticity of the product (Erdem and Swait, 2004). This is especially the case in markets where global brands are symbolic of modernity and innovation and where consumer perception is that global businesses are associated with higher quality standards (Steenkamp, 2019; Mandler, Bartsch and Han, 2020).

Nonetheless, the consumer reaction to globalisation is not always positive. In their article, Sharifonnasabi, Bardhi and Luedicke (2019) talk about deterritorialisation; the process by which cultural and geographic boundaries diminish, creating mixed consumer identities. This concept captures the issues that arise in global brands trying to meet the cultural expectations of consumers while still remaining universal. In markets where local identities are still intact, Cleveland and Bartsch (2019) showed that brands that over-communicate their global image may experience pushback or lack of consumer trust as local authenticity becomes a unique selling proposition (Cleveland and Bartsch, 2019). Therefore, as brands continue to grow globally, it will be crucial to understand consumer expectations in the local markets based on the theories of glocalisation and signaling. This balance allows brands to be real and connectional in a world where the global market is interconnected but culturally different.

2.1.2 Cultural Dynamics in Business Strategies

Culture remains a fundamental factor in determining business strategies given that the process of globalisation enhances interconnections with different cultures. Cross-cultural competence has become a critical factor for organisations that want to establish trust, improve the communication process, and build innovation in cross-cultural environments. According to Steers, Osland, and Szkudlarek (2023), such competence enables firms to manoeuvre the cultural environments that they operate in, thus enabling them to develop appropriate, cultural sensitive relationships that are crucial in international business. This capability goes further than language fluency to include an

understanding of non-verbal cues that Fong, Gardiner and Iarocci (2021) have pointed out as important in avoiding misunderstandings and building working relationships with people from other cultures.

Culture intelligence becomes crucial in areas such as Africa because cultural sensitivity is not just profitable but vital for conducting business. Ginzarly, Houbart and Teller (2019) found out that in the African market, the integration of the community values in the business strategies is more effective in improving consumers' acceptance and loyalty because it is in line with the community preference. According to Rogers (2020), in the West African region, which embraces social relations and group decision making, organisations gain considerably from practises and strategies that reflect the culture and bargaining systems of the region. Such culturally related approaches assist firms in managing the anticipated local norms, as evident from the African success stories (Rogers, 2020).

Cross cultural competency also provides organisations and companies with the potential to utilise diversity for the purpose of creating new products and services. Bhatia and Whig (2022) state that firms that encourage employees to embrace diverse view are in a better position to come up with unique solutions to the problems that may arise in the formulation of global business strategies due to the Yin and Yang approach. The same opinion can be found in the assertions of Kumari (2019) who stated that the diversification not only helps in increasing creativity but also enables the organisation to better address the local needs and demands. This adaptability is integral to what Linnér and Wibeck (2021) describe as the “glocalisation” strategy; where global firms retain core brand values while customising offerings to resonate with local cultural expectations. Welch *et al.* (2020) emphasise that this approach is most useful in areas where consumer loyalty is linked to the brand's ability to appeal to cultural values.

In the case of the digital and e-commerce businesses, cultural adaptation is usually achieved through provision of differential services. Lave (2021) describes how Nigerian e-commerce platforms have been able to successfully introduce cash-on-delivery options in an effort to meet the needs of consumers who still prefer to pay with cash on delivery rather than opting for the use of electronic payment platforms that are not well accepted in that part of the world. For instance, according to Morrison-Smith and Ruiz (2020), businesses not only enhance consumer trust by

conforming their operations to the local payment systems but also make their brand culturally appropriate and relevant in such markets.

In addition, cultural factors influence consumer behaviour and brand identification in the different cultural contexts. In the study conducted by Daraojimba *et al.* (2023) there is a clear difference between markets that are highly globalised where local brand authenticity is important and emerging global markets in which prestige of the global brands is a major factor. This duality is well articulated by Sharma *et al.* (2023) who posit that through the use of an adaptive branding policy that captures the global desire while still embracing the local identity, firms can attract many consumers. This strategic flexibility enables firms to meet the two conflicting requirements of global standardisation and local adaptation which is becoming the norm in consumer markets globally.

Therefore, cultural elements are an essential part of the business environment, especially when global trends meet local culture. According to Abbott and Snidal (2021), one of the features of the most effective and flexible organisations is the ability to ensure that cultural intelligence becomes part of the strategic planning process. Feldmann and Morgan (2022) have also pointed out that in the current world that is increasingly culturally diversified, only those organisations that have embraced cultural intelligence together with business skills can be expected to thrive in the future. Hence, incorporating cultural understanding with corporate goals not only increases the credibility of the brand but also creates a strong bond for the brand among the multicultural consumers. Figure 2 below presents a clear description of cultural sensitivity in international markets.

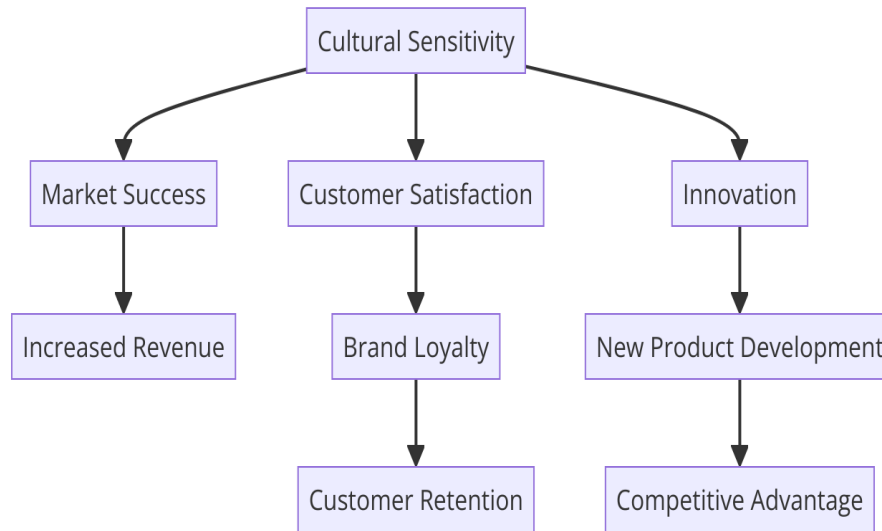


Figure 2: Cultural Sensitivity in International Markets (Created by Researcher)

2.2 Cultural Challenges in International Business

Cross cultural differences affect the management of strategies in international business and the results they achieve. These are values, norms, behaviours and institutional arrangements, which are a major hurdle to companies that want to venture into or expand their business in foreign markets. To be more specific, it is not enough to simply adapt to cultural value systems; one has to know the cultural environment and how it affects the operations and strategies of organisations. Research in different industries show that culture influences market entry strategies, communication, brand management, and implementation (Hennart and Sutherland, 2022; Huang, 2023; Wang and Liu, 2022). Based on those dimensions, this section focuses on the cultural aspects and their impact on the performance of international business.

2.2.1 Market Entry Challenges

International marketing presents a challenging process which depends on culture since it influences every step of the market entry. Due to cultural factors, customer perception, legal, and business dynamics of a target region must be understood and adapted to effectively (Yang and Leppäaho, 2023; Meyer, Li and Brouthers, 2023). However, there is a problem of cultural inertia which is defined as the reluctance of the firms to change their internal organisation and business

processes to meet cultural challenges. Meyer, Li and Brouthers (2023) pointed out that this inertia is a potential source of blindness that leads organisations to overemphasise domestic practises and underestimate the need for localisation. For instance, when western firms expand their business to the Asian market, they are likely to have difficulties in transition of hierarchical structure to meet the needs of collectivist culture that promotes group consensus and respect for authority (Su, 2023). Figure 3 below highlights some culturally related market entry challenges.

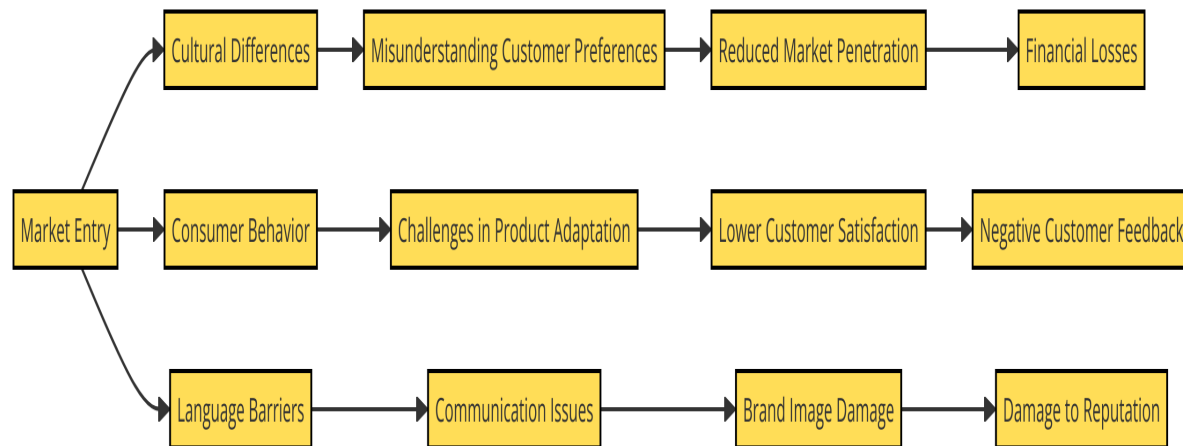


Figure 3: Culturally Related Market Entry Challenges (Created by Researcher)

One of the most important factors that affect market entry challenges is the readiness of adequate personnel with cultural sensitivity orientation. Wang and Liu (2022) reveal that cross-cultural training is essential for workers who are to oversee international operations. This training will ensure that business people are well placed to notice and manage cultural differences, which are most obvious when organisations first engage, including negotiations, contracts, and local collaborations (Huang, 2023; Meyer, Li and Brouthers, 2023). Failure to do so in these areas would mean that market entry efforts are either slowed down or completely halted.

Cross cultural team dynamics also have a great influence on this situation. According to Huang (2023), richness of cross cultural management is that it improves innovation and flexibility since people from different cultures arrive at better decisions. However, if diversity is not well approached, it may lead to misunderstanding, and conflict of interest, and thus low productivity especially during the initial stages of market development (Hilmersson *et al.*, 2022). For example,

cultural differences integration issues have been reported to be a major cause of joint venture failures in Africa where foreign firms failed to appreciate the importance of local engagement practises (Oguji and Owusu, 2020).

These theoretical findings have important implications for practise as the following examples show. For instance, Xiaomi's success in India shows that the company has paid attention to localisation. In particular, Xiaomi has successfully adjusted its marketing activities and supply chain, as well as product offerings to match the Indian consumers' values and needs in order to gain significant market share (Su, 2023). On the other hand, multibrand beverage companies such as PepsiCo encountered challenges in emerging markets because their advertisements offended local culture (Witt *et al.*, 2023).

2.2.2 Communication and Branding Barriers

Cross cultural communication is important in order to maintain good relations and build brand narratives that will be relevant to the target audience (Shalini, 2023; He, Boateng and Ring, 2019). However, getting the coordination is challenging due to differences in language, communication, and values of society (Meyer, Li and Brouthers, 2023).

Odontological branding strategies are often crippled by invisible cultural barriers including non-verbal communication etiquette, cultural values and beliefs, and cultural differences in the perception of symbols and logos. According to Shalini (2023), these barriers are usually underestimated, because companies pay attention to the most apparent disparities, for instance, language, not taking into consideration such factors as the tone, humour or context. For instance, a humorous ad that works well in the United State may be deemed as rude in Japan because of difference in perceiving humour (He, Boateng and Li, 2019; Chabowski *et al.*, 2023).

Digitalisation has therefore heightened cultural fit risks. In Meyer, Li, and Brouthers (2023)'s view, while technologies can help firms to engage with audiences across the globe, it means communication may be compromised if content is not translated properly. Linguistic translation softwares generate messages that may be grammatically correct but semantically wrong in context and may offend the target population. Therefore, companies are hiring more localisation teams to ensure that the firms' digital engagement is appropriate for the target culture (Hennart and Sutherland, 2022).

Stakeholder relationships also pose challenges in communication due to existence of regulatory environments. He, Boateng and Li (2019) explain that foreign banks that entered China had to overcome communication barriers because they did not understand the culture of the Chinese people. The research by He, Boateng and Li (2019) also established that firms that adopted culturally iconic messaging, for example, positioning their financial services as a means to save and attain prosperity for the family, outperformed those companies that only adopted global branding strategies.

2.2.3 Case Studies on Cultural Missteps

The effects of cultural mistakes are best illustrated through examples of organisations that could not blend in the local environment. These examples present the significance of carrying out cultural risk assessment in cross border business which is in agreement with the findings of Hilmerston et al. (2022) and Meyer, Li and Brouters (2023).

A well-documented example is a Western food company that released an advertisement in the Middle East with symbols that were not exactly in tune with local religion (Witt *et al.*, 2023). The consequences were painful and immediate: the company incurred major economic and image damages. Likewise, in Africa, Oguji and Owusu (2020) also examined how cultural lacunas affect foreign firms. They established that cultural disagreements in joint ventures led to operations problems. Such incidences emphasise the need to involve Cultural Advisors in the creation of such campaigns especially in areas that are ripe with religious or cultural sentiments.

Another case that Shalini (2023) discussed was a technology firm that unsuccessfully tried to enter the Japanese market because of a culturally tone-deaf product launch. The company did not consider the Japanese culture of modesty and conformity to the group when it used strong and a more personal approach in its marketing. However, by reorganising its local operations and using communication that would be relevant to the culture, the company was finally able to bounce back and become stronger in the market (Shalini, 2023).

In addition, Chabowski *et al.* (2023) extend the analysis to the role of cultural blindness and sustainability management. According to Chabowski *et al.* (2023) study, a Western firm launched green products into a cultural background that did not prioritise environmental concerns. This

misfit resulted in low rates of usage and suboptimal utilisation, providing a case for the further integration of global strategies with local cultures.

2.3 Cultural Adaptation in International Business

Organisations building their international business strategy must adapt various business elements and marketing strategies plus product offerings to match local cultural patterns. Organisations that want to create lasting success in cultural environments should use this approach because it helps build important relationships for positive results. Host countries require cultural adaptations due to market integration through globalization to build understanding of cultural differences. The analysis in this context benefits from Hofstede's Cultural Dimensions and Cultural Intelligence Theory models (Hofstede, 1984; Steers, Osland, and Szkudlarek 2023). Organisations operating internationally depend on these standards because they provide essential tools to evaluate and boost cultural competency expertise.

Mandler together with Bartsch and Han (2020) argue that brand authenticity strengthens through cultural adaptation while global firms achieve proper local-global equilibrium. Firms implement a dual strategy known as “glocalisation” to preserve their global presence by reaching local markets effectively. (Steenkamp, 2019). This approach is especially important in the regions where people consider brands as the part of their culture and self-identity. In addition, cultural intelligence is more and more recognised as being strategic. Cultural intelligence prepares organisations for possible cultural missteps which helps prevent damaging cultural breakdowns thus maintaining the productivity and reputation of an organisation (Steers, Osland and Szkudlarek, 2023).

2.3.1 Strategies for Cultural Adaptation in Marketing and Communication

Marketing and communication are considered the most apparent areas where cultural adaptation takes place since they define the interaction of a brand with target audiences. Such strategies in this area depends on the understanding of language, symbols, and societal cultures in order to make them more relevant. These strategies are enumerated below:

Localised Branding

Cultural adaptation could therefore be said to be based on the fundamental principle of how and where a brand can be both global and local. Meyer *et al.* (2023) provide evidence that it is

necessary to develop the message with cultural competence to gain consumers' trust and loyalty. Meyer *et al.* (2023) also note that even general technology brands such as Apple and Samsung have to use cultural values of the target regions in their adverts to develop an emotional bond. This approach does not only help in building a good brand image but also helps in building the market position.

Cross-Cultural Communication Techniques

Most of the time, it is crucial to know and observe the etiquette of the culture in relation to gestures, humour, and social etiquette. Supporting this claim is the observation made by Shalini (2023) that localised humour and cultural narratives help in breaking the gap between global brands and local consumers. Similarly, Coca-Cola's storytelling advertising in India, described by Tripathi (2024), has effectively used cultural values to foster identity and institutional connections, and to demonstrate the company's cultural sensitivity.

Digital Localisation

In today's digital environment, cultural adaptation encompasses even the virtual aspect of a company, website and applications localisation and digital content. However, although automated translation tools are quite effective, they do not always account for cultural nuances, which means the companies have to manually confirm if their content conform to the local culture (Chabowski *et al.*, 2023). In addition, Garg (2023) notes that firms such as Airbnb are examples of good practise in digital localisation as they adapt the images, language and interface of the platform to the cultural norms of different markets.

Symbolism in Advertising

Use of culturally symbolic content can greatly increase a brand's appeal. He, Boateng and Li (2019) show that linking financial products to cultural concepts like family wealth in Asian markets has been most successful. This strategy reflects the consumer awareness of their needs and, therefore, increases the confidence in the brand.

2.3.2 Cultural Adaptation in Product Development and Localisation

Cultural adaptation is not only limited to marketing and communication functions but also includes product and its adaptation. This means that product characteristics and packaging should

incorporate the desires and perception of the local consumer to increase acceptability in the market. Some cultural adaptations are highlighted below:

Tailored Product Features

Many multinational companies have a practise of changing product composition in different countries. In their paper, Inderjeet and Choudhary (2023) explain how Nestlé altered its Maggi noodles product to suit the Indian market by changing the taste to suit the people's palates. This strategic localisation not only increased sales but also made Maggi as a brand that relevant with Indian culture.

Localised Packaging

Culture adaptation is another vital factor where packaging is of immense importance because colours, symbols, and other text may have a different meaning in different cultures. Wang and Liu (2022) argue that the cultural differences must be considered in packaging choice. For example, in the Western markets, the white packaging is considered pure but in some regions of Asia, white is the colour of death.

Functional Adaptations

Another factor that defines cultural adaptation is the adjustment of product features to the conditions of the target market. For instance, Shalini (2023) argues that electronics makers have come up with energy-efficient appliances for areas with power fluctuations and thus meet the real needs of consumers as well as cultural needs.

Service Localisation

Cultural adaptation is also observed in service-based business as the organisations modify their services according to the culture of society. Otuekong and Foroudi (2023) look at how Nigerian e-commerce firms that have implemented cash on delivery are dealing with country's cash culture because of low digital payments. Such adaptations are important in building confidence and use of the new platforms in the emerging markets.

2.3.3 Case Studies in Successful Cultural Adaptation

The case studies presented in this section offer useful examples of how companies are effectively managing cultural adaptation as a way of doing business in different international markets. These examples illustrate how integrating management approaches with cultural values yields real value and can be useful references for firms wishing to optimise their global strategies.

1. Xiaomi in India

The case of Xiaomi and its entrance into the Indian market clearly indicate that cultural adaptation is a key to success in a foreign market. This is because India is known to have a very sensitive pricing audience as well as a multilingual population, and as such, Xiaomi sought to design its phones to meet the needs of the local regions. (Su, 2023). The company released cost-conscious devices with a dual-SIM capability, which is important in India due to the tendency of many people using multiple SIM cards to lower costs (Su, 2023). Altogether, Xiaomi introduced the capability of selecting the language of the interface, which allowed the company's products to be operated by users who do not speak English.

According to Su (2023), in addition to its products, Xiaomi aimed to localise its marketing strategies by using Indian Bollywood stars and telling stories that would appeal to the Indian consumers. The company also had a strong offline presence in the tier 2 and 3 cities and rural areas, this is because Indians prefer to shop physical retail (Su, 2023). These adaptations alongside its low pricing model helped Xiaomi to become the leading smartphone company in the India market showing that cultural understanding is key in building brand loyalty and market domination.

2. McDonald's in Asia

The business case of McDonald's in the Asian markets show that to succeed it is necessary to modify standard products according to the local cuisine. For instance, in India, where a large number of people are vegetarians due to cultural and religious beliefs, McDonald's offers Vegetarian burgers such as the McAlloo Tikki which is a burger that has a potato patty (Bartosik-Purgat and Chojnowska, 2024). This was different from the predominantly beef diet in the Western

markets indicating that McDonald is willing to change its menu to suit the local culture, a claim earlier pointed out by Paul and Roy (2013).

Besides menu changes, McDonald's adapted to local cultures and practises of eating. Bartosik-Purgat and Chojnowska (2024) established that in Japan, McDonald's introduced rice burgers and also changed the serving portions to fit the consumers' standards. The chain also introduced annual and semi-annual items based on the Japanese cultural events like the sakura or cherry blossom festival in spring. These initiatives have thus enabled McDonald's foster a good working relationship with the Asian food industry and at the same adopt the food culture within the continent without changing the overall globalisation of the brand.

3. Coca-Cola in Africa

The African marketing strategies of Coca-Cola are another good example of how cultural branding can help build primary identification with the brand. The company worked with the artists, musicians, and social media influencers to produce commercials that incorporated the colours and people of Africa (Byala, 2023; Oguji and Owusu, 2020). In this case, Coca Cola was also able to mesh with the local culture through music, dance and storytelling in its advertisements.

In addition, the company changed the design of packaging and use of advertisement that is suitable for the culture of the society. Byala (2023) highlighted that where literacy levels were low, Coca-cola employed the use of pictures and symbols to pass its message in order to include everybody in its advertisements. It also encouraged other measures like sponsoring festivals and supporting youth's programmes which enhanced its relationship with African people (Oguji and Owusu, 2020). This not only made Coca-Cola culturally fitting but also made it a company that cares for the society.

2.4 Interdisciplinary Approaches to Cultural Dynamics

Cultural processes have been analysed in a number of theoretical frameworks that represent different, although related, areas of study. The review in this section seeks to examine these interdisciplinary applications discussing the unique relevance and combined usefulness in the current business environment. Through the analysis of anthropological, sociological, economic,

and integrative approaches, this study thus aims at developing the cultural perspective as being a critical force behind innovation, collaboration, and strategic change in the globalised world. By doing so, this literature review chapter aims at sharing an overall view of how various theories and approaches can enrich the study of culture in international business.

2.4.1 Anthropological and Sociological Perspectives

Cultural processes can be explored from the perspectives of anthropology and sociology, which both examine historical as well as structural factors. According to Eriksen (2015), culture is not a static concept but a dynamic process that is influenced by history as well as the environment, thus culture is a dynamic process. People of the world have become more interconnected through globalisation, which has caused cultural forms to change greatly. Tuncer (2023) highlights this phenomenon through the concept of “cultural hybridity,” where globalisation fosters the blending of traditional and global influences, particularly in urban settings where diverse populations coexist.

Recent sociology has focused on the role and effects of power and inequity on culture as highlighted by Inglehart (2019) revisiting the notion of a cultural hegemony as developed by Gramsci. According to Inglehart (2019), elite cultural groups use institutions like school and media to make cultural norms fit their agenda. This dynamic is especially evident in globalised contexts, where Western norms are disseminated widely, often referred to as “soft power.” Hofstede, Hofstede, and Minkov (2010) emphasise that while such influences are pervasive, local cultures frequently resist and reinterpret these norms, creating what Choo, Lee and Xie (2023) describes as “glocalised” cultural identities.

Notably, the application of intersectionality in the analysis of cultural processes has been analysed in detail. Crenshaw (2021) who provided the definition of the concept defines how these intersecting identity categories like race, gender, and class, produce cultural experiences. Rickford (2016) builds on this argument by showing that many immigrants manage their cultural identity through the lens of ethnicity and economic status implying that they may be marginalised when their way of life is considered deviant from the norm. For example, research on the experiences of immigrants in Western societies shows that cultural identity is not easily defined and has to do with factors such as education and employment (Barros and Albert, 2020; Lindberg *et al.*, 2021).

Nevertheless, the integration of anthropological and sociological insights remains a problem. Although anthropological approaches enable the researcher to gain a rich understanding of specific situations, they do not give a picture of structures which sociology gives. On the other hand, sociological perspectives may sometimes fail to recognise the role played by people in determining cultural processes. The study of Siru (2022) proposes a more holistic approach in which anthropological analysis of thick descriptions is linked to sociological analysis of large scale structures. Significantly, recent inter-disciplinary works have started to address this gap, investigating the ways and patterns through which cultural standards are changing under the pressure of global challenges like climate change and pandemics (Degroot *et al.*, 2021; He and Harris, 2020).

2.4.2 Economic Perspectives on Cultural Dynamics

Economic approaches to cultural processes analyse how cultural richness affects commerce, work, and creativity, making it an essential component of cross-disciplinary cultural research. Ottaviano and Peri (2006) prove that it is more effective for a team to have cultural diversity especially if such teams have to excel at tasks that need creativity due to the collective different standpoint. Their research, which is based on multicultural cities such as New York and London, reveal that cultural diversity is the most important factor that influence the economies (Ottaviano and Peri, 2006). However, Alesina, Harnoss and Rapoport (2016) note that the positive impact of cultural diversity is only as good as the policies in place to support it and the ability of organisations to manage culture differences.

Hofstede, Hofstede and Minkov (2014) have established that cultural values can influence consumer behaviour and, thus, affect business. Hofstede, Hofstede and Minkov (2014) also note that countries with collectivist culture, like those in East Asia, tend to purchase family products and advertisements that portray harmony while those with individualistic culture like the ones in North America prefer products that front individualism. Liu, Tao and Tsai (2017) further build on this finding and show that firms that engage in cultural marketing have better brand recognition. In their cross-national study, Liu, Tao and Tsai (2017) reveal how specific advertising that targets culture enhances consumer trust; a trend that is being embraced by international firms.

Cultural norms also have a great impact on another area of labour market dynamics. According to World Bank data (2022) gender norms are a determining factor of women's employment rates with gender equal societies having high women's employment rates leading to better economic performance. On the other hand, Guiso, Sapienza and Zingales (2009) find that cultural practises that limit women's employment reduce productivity and creativity. Educational norms also play a crucial role; as shown by Jung (2020) and Freeman, Marginson and Tytler (2019), countries with cultures that prioritise Science, Technology, Engineering, and Mathematics (STEM) education, such as South Korea, tend to have a more competitive labor market.

Cultural similarity between partners in the trade process is another critical determinant of dynamics in the economy. According to Zhang (2022), common cultural factors include language and historical connections that lower the cost of doing business and raise trade volume. This is especially so within the European Union as cultural relatedness has enhanced economic integration. Tuncer (2023) also points out that cultural similarities drive trade but cultural differences in regions that are quite distinct can be a problem, and firms need to spend on cultural orientation.

The problem with quantification of the economic impact of cultural diversity cannot be overemphasised. Economic models of a conventional nature may not be sufficient to describe the influence of cultural aspects, as pointed out by Siru (2022). This calls for theory development that draws from anthropology, sociology as well as psychology.

2.4.3 Integrative Models in International Business

Integrative models in international business combine anthropological, sociological, economic and organisational theories of culture. These models attempt to create an organized framework which demonstrates the relationship between culture and business strategy together with organisational behaviour and the global market. The integrated models provide a comprehensive cultural understanding through their holistic approach better than disciplinary models do at understanding global communication and business environment dynamics.

The Cultural Dimensions Theory established by Hofstede along with Bond (1984) represents one of the most acknowledged and applied models in the field because it classifies societies based on

Individualism/Collectivism and Uncertainty Avoidance and Power Distance through psychological and sociological conceptualization. Business decision making and team management benefits from this model when applied in international business environments to assist cross-cultural leadership in understanding cultural differences within organizations. Hofstede's framework faces limitations to handle cultural shifts because of worldwide changes because scholarly opinions demand new all-encompassing integration theories (Moonen, 2017; Jones and Alony, 2007).

GLOBE (Global Leadership and Organisational Behaviour Effectiveness) is a richer and more comprehensive attempt at integration. With data collected from 62 societies, the GLOBE study uses sociological and organisational view to explain how cultural values influence leadership behaviours and organisational culture (House, 2004). For example, Hofstede, Hofstede and Minkov (2010) noted that cultures that have high scores on the collectivism index do prefer participative leadership while those cultures that receive low scores on the index prefer the autonomous leadership style. Multinational corporations need to find optimal approaches for handling organizational personnel together with business operations across multiple countries because of this conceptual split.

Cultural Intelligence (CQ) stands as one of the most recent and beneficial contributions to integrative frameworks according to Earley and Ang (2003). CQ establishes someone's capability to achieve multicultural communication through unification of psychological and sociological principles. Dogra and Dixit (2016) explained that Cultural Intelligence builds with superior performance in diverse teams so it stands as a vital leadership competency in global environments. The model emphasizes cultural flexibility and emotional intelligence for resolving cultural conflicts and gives detailed implementation suggestions for organizations that want to develop inclusive innovation cultures.

A real-world illustration of how integrative methods guide strategy exists in Coca-Cola's "Taste the Feeling" marketing campaign according to Otieno (2021). Through Hofstede's dimensions in combination with local market surveys the campaign developed messages that adjusted to different cultural standards leading to international market success.

Despite their effectiveness, integrative frameworks face challenges in accounting for culture changes especially due to digitalisation and geopolitical shifts. Xia, Shin and Kim (2024) and Spennemann (2023) argue that the most effective approach for the present and the future is the real-time, data-based models that can be easily adapted to cultural shifts. For instance, with artificial intelligence and big data analytics, organisations can now analyse cultural trends in real time and therefore present new ways of improving the integrative frameworks and the predictive power of the frameworks (Xia, Shin and Kim, 2024). In conclusion, Integrative models are therefore recommended as useful when it comes to explaining and at the same time managing cultural issues in international business. These models, which are informed by a number of disciplines, provide a systemic view of cultural dynamics for managing cultural differences, stimulating creativity and increasing organisations' ability to change. For future studies, these frameworks could be developed further to include new trends in the society so that they can be usefully applied in the current highly globalised and fast evolving world.

2.5 Cultural Diversity and Innovation

Cultural diversity is one of the most critical factors that help organisations to innovate and gain competitive advantage in the global environment. Different cultural environments are a rich source of ideas and solutions, and embedding multiple perspectives and practises is beneficial. This is now being acknowledged as a resource that can help organisations to manage changing global conditions, engage a range of audiences, and deliver business value in the context of greater market uncertainty. Nevertheless, actualising the value of cultural diversity demands conscious effort while trying to maximise on the gains of diversity while at the same time working on the shortcomings that are realised from different communication. This section seeks to explain the complexity of the link between cultural diversity and innovation, and why it is important to the success of organisations.

2.5.1 Role of Cultural Diversity in Innovation

Cultural diversity has been noted to play a major role in the promotion of innovation especially in the current inter-connected and cross-functional business societies. Inclusion of new ideas in the problem solving and idea generation systems of organisations can help in getting different solutions to the same problem. Researchers claim that multicultural teams are particularly effective

for ideation because cultural diversity leads to difference in thinking perspectives. In this regard, Jones, Chace and Wright (2020) have opined that such teams get the best results when there is proper communication structure and cultural sensitivity in the process of decision making where everyone's contribution is considered. This opinion of Jones, Chace and Wright (2020) is depicted in figure 4 below.

This feature of cultural diversity is best demonstrated in the pharmaceutical industry to illustrate the effects of cultural diversity. Jones, Chace and Wright (2021) also established that cultural heterogeneity in team dynamics enhances innovation performance. According to Jones, Chace, and Wright (2021), cultural intelligence and intentional group cohesion contributes to the generation of intellectual property, faster project delivery, and higher chances of effective innovation. Likewise, Lambert (2016) also focused on the frameworks such as absorptive capacity through which companies can integrate and utilise the knowledge from various sources efficiently. The results of Jones, Chace and Wright (2021) and Lambert (2016) also indicate that cultural diversity not only affects the current creative products but also sustains the innovation system of an organisation.

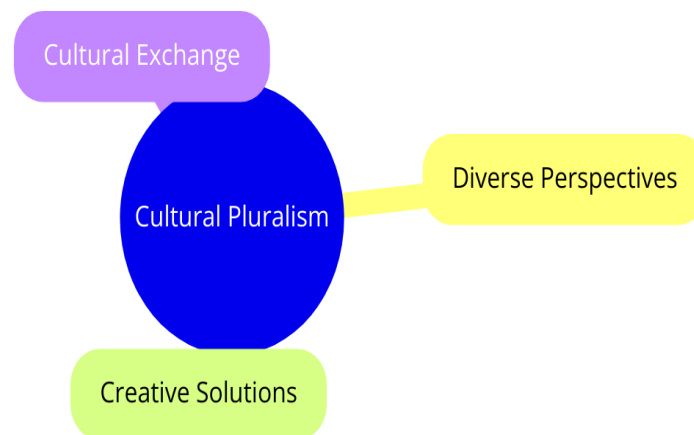


Figure 4: Relationship between Cultural Dynamics and Innovation (Created by Researcher)

However, there are also some difficulties; one of them is communication issues and other is conflicts which may occur. Bouncken, Brem and Kraus (2016) noted that these challenges may become a major threat to collaboration and decrease the productivity of diverse teams if there is

no proactive management and well defined objectives. As Bouncken, Brem and Kraus (2016) discovered, it is beneficial to encourage common objectives and toleration in teams to better tap into the pool of diversity. This corresponds with the literature in the interdisciplinary settings where good agreement on the goals is a key precondition for effective intercultural interaction (Braslauskas, 2020; Voevoda, 2020).

Current trends show that more organisations are focusing on the use of digital technologies to work with diverse teams (Marion and Fixon, 2021). Hur, Shen and Cho (2020) have identified that when virtual collaboration platforms are integrated with cultural sensitivity training, the culturally diverse dispersed teams can overcome common cultural challenges. It also helps in the real time collaboration which enhances the possibility to find the right combination of talents from around the world.

2.5.2 Strategic Advantages of Cultural Inclusion

Cultural inclusion is important for innovation and its strategic benefits includes improving the organisational strength, flexibility, longevity, and ability to compete in the global market. The subsection identifies inclusive practises that help organisations manage diverse context and build trust with stakeholders as well as meet cultural standards. Li, Wu and Xiong (2021) note that cultural intelligence is a crucial element that can help organisations get the most out of cultural diversity, noting that organisations with good knowledge sharing practises fare better than those which do not have effective practises in place. In their article, Li, Wu, and Xiong (2021) also opine that inclusive environments fosters collaboration, minimises conflicts and promotes symbiotic relationship that leads to improved business results.

Also, cultural integration can be seen as a source of competitive advantage. For instance, Alfawaire and Atan (2021) argued that in educational institutions, human resource practises that are strategically inclusive improve organisational identity and stakeholder engagement. Futhermore, according to the study of Alfawaire and Atan (2021), inclusive practises make employees realise that they belong and have a reason to be in the organisation, which enhances their motivation to work and creativity. Similar observations are seen in the workplace context because inclusive organisations are deemed to be innovative, liberal and credible (Hofhuis, Zee and Otten, 2013).

The major rationale for cultural inclusion as a strategic approach is its ability to provide information that can help in understanding cultural markets. Stahl and Maznevski (2021) opine that international multicultural teams provide organisations with the best opportunities to understand the consumers' needs and nuances of the market to meet the local needs. This makes it not only improve the competitive advantage of an organisation but also enhance its relationship with the local stakeholders. For example, The cultural product promotion through regional marketing strategies by Coca-Cola shows how inclusive strategies boost brand affinity together with market penetration according to Otieno (2021).

Studying leadership and organizational behaviour serves as key evidence in strategic discussions about cultural inclusion according to various research investigations. Studies show that leaders practicing inclusive leadership with their capabilities of empathy and flexibility and cultural intelligence create more cohesive and effective teams within diverse settings according to Dogra and Dixit (2016). Leadership preparation needs to focus on developing talent for managing cultural diversity challenges because this leads to health environments fostering full member potential.

Cultural inclusion strategies must function together and apply methods effectively in order to be efficient. Organisations must use financial resources to develop sustainability and effectiveness through cultural competence training with an emphasis on policy development and feedback systems. The authors of Xia et al. (2024) argue that future research must develop methods to evaluate cultural integration effects to help organizations establish conclusion value for these outcomes which then become planning variables.

2.6 Technological Advancements and Cultural Dynamics

The global market systems experienced a business approach modification while cultural exchange relationships transformed due to technological advancements. The current modern society benefits from technological advancements which create novel opportunities for cultural exchange through technological-enhanced business partnerships and trading activities (Verhoef et al., 2021; Skare et al., 2023). Digital transformation acts through preservation and distribution of cultural heritage while empowering disenfranchised communities to present their cultural heritage to the world (Saud et al., 2023). The technological advancements generate two major problems: digital divide and cultural globalisation that allow global culture to overpower local culture (Shang et al., 2023).

This segment conducts an in-depth exploration of cultural technology relations by clarifying how technological modification alongside technological devices and cultural practice changes construct today's worldwide cultural setting (Saud et al., 2023).

2.6.1 Digital Transformation in Global Markets

The digital transformation movement functions as a new transformational trend which impacts international markets and their associated cultural and business systems. Organisational systems have shifted their methods for cultural contexts and operational processes and customer services by using digital technologies. The research from Martínez-Peláez et al. (2023) confirms digital transformation supports micro, small and medium enterprises (MSMEs) through stakeholder oriented strategies which delivers sustainability and competitive advantages. Digital transformation allows businesses to understand cultural consumer requirements which subsequently helps them develop e-marketplace solutions to connect such diversely cultured consumer audiences.

Firms accelerated their digital transformation during the COVID-19 pandemic because they needed to shift to e-commerce operations and consumers modified their purchasing habits according to Kim (2020). The transformation led organizations to concentrate on cultural compatibility since they expanded their global digital business operations. The business world changed through the digital commerce giants Amazon and Alibaba when they started offering products suitable to multiple cultural preferences across different regions globally (Verhoef *et al.*, 2021).

Skare *et al.* (2023) worked on a study of how digitalisation affects innovation in the context of European small and medium enterprises; they pointed out that digital tools not only improve the performance of the business but also lead to cultural interchange. In the same manner, Shang *et al.* (2023) emphasised how digital transformation supports sustainability by enabling businesses to address global environmental challenges while aligning with cultural sensitivities. However, there are still some issues which can be seen, especially for companies that want to change their strategies to meet cultural differences. Hess *et al.* (2020) reveal that, the implementation of digital transformation is only successful if the particular company makes an effort to adapt the strategies to the culture of the country in which the company operates and applies technology in business

operations and customer treatment. This clearly highlights that digital integration must be an intentional approach made by organisations. Figure 5 below presents the role of digital technology in cultural exchanges in international business.

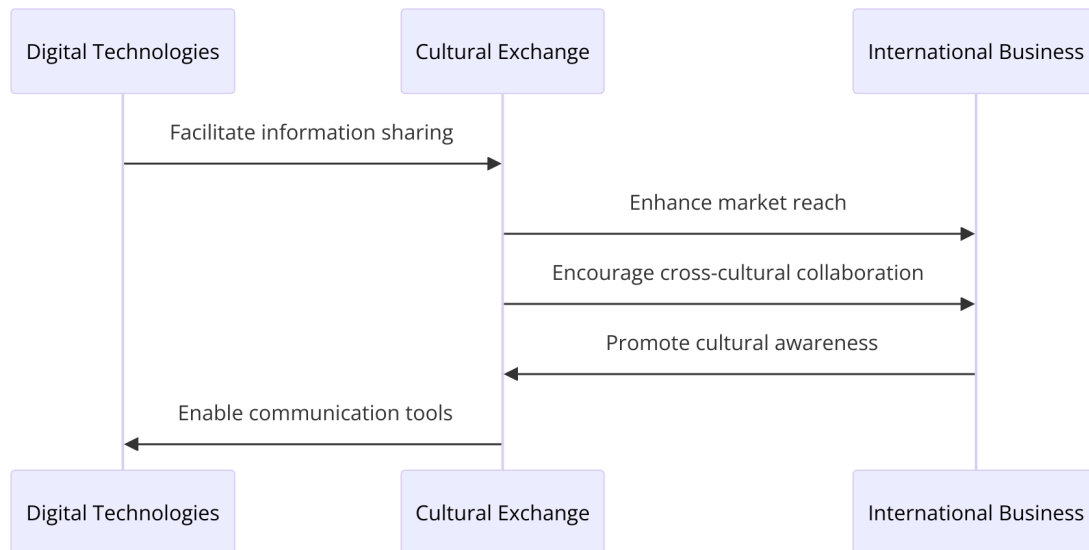


Figure 5: Role of Digital Technology in Cultural Exchange (Created by Researcher)

2.6.2 Technology as a Cultural Bridge and Barrier

Technology has become a bane as well as boon in fostering cultural diplomacy in the international community. On one hand, digital platforms are the means for bringing close the culturally diverse populations and for real-time intercultural communication. Saud *et al.* (2023) explored how virtual environments create democratic opportunities for civic engagement and amplify the voices of the excluded as well as enable cultural interchange. E-commerce and social media for instance, do not have boundaries where people and businesses can engage in exchange of services that foster understanding (Nam and Kannan, 2023).

However, technology is also known to widen cultural gulfs. Recommendation systems in particular perpetuate existing cultural biases, which means that people are funnelled into their “digital silos” on the internet (Guo *et al.*, 2023). This has the “echo chamber” effect not only reducing the exposure to different opinions but also intensifying cultural differences, which is a problem for organisations that want to operate in diverse markets. Feliciano-Cestero *et al.* (2023) pointed out

that, for instance, inequalities in digital literacy and technological affordance aggravate the limitations to the cultural participation of minorities.

Also, technology has ethical issues in the portrayal and conservation of culture. Shang *et al.* (2023) discussed the negative consequences of cultural imperialism that results from the domination of global markets that push for hegemonic cultures over local ones. This is because organisations need to come up with strategies that are sensitive to culture in order to respect culture diversity. Policy makers and business have to cooperate in order to deal with these barriers in order for technology to effectively enhance the cultural interchange and equity without diminishing the cultures.

2.6.3 Redefining Cultural Dynamics in the Digital Age

Cultural landscape of the digital age has altered cultural processes to the extent that it is now possible to distinguish between both the traditional and digital cultures. This has given rise to the new culture of the internet communication and collaboration as a result of integration of the two. According to Kasemsap (2015) digital technologies have the potential of re-shaping the organisational culture because these digital tools enable the organisation to integrate diverse cultural elements into its work. This “digital cultural hybridisation” supports the new practises that integrate the traditional values and the new technologies, that will help organisations to adapt to the global environment.

Verhoef *et al.* (2021) further expanded the idea of “digital cultural ecosystems” to explain how firms utilise digital platforms to weave cultural elements into their products and services. For instance, giants like Netflix and Spotify have well embraced the concept of localisation where products and services are tailored to suit the cultural orientation of consumers. While these platforms have been providing people with a way to share their culture, they are criticised for making culture a commodity and thus causing cultural appropriation and loss of cultural identity.

In the same way, digital technologies have also helped in the conservation and sharing of cultural heritage. Saud *et al.* (2023) explained that digital archives and platforms give people the tools they need to collect and distribute their cultural practises to combat the effects of globalisation. But Guo *et al.* (2023) noted that the same technologies may in fact lead to commodifying of cultural heritage, in other words, turning it into a commodity that can be bought and sold. It is for this

reason that ethical frameworks are indispensable to order digital cultural practises in a way that technology is a means of liberation and not oppression.

2.7 Theoretical Framework

2.7.1 Cultural Intelligence Theory (CQ)

The Cultural Intelligence (CQ) theory by Earley and Ang (2003) forms the basis of recent discourse about cultural competence. It is based on the effectiveness of people and teams in cultural contexts. This theory encompasses four interconnected dimensions which include the cognitive, metacognitive, motivational, and behavioural intelligence as shown in figure 6 below (Earley and Ang, 2003). All of these dimensions allows one to understand the ways in which people and teams navigate through cultural differences, as well as to identify the key to successful cooperation in multicultural environment.

Cognitive intelligence in the CQ model is defined by Earley and Ang (2003) as the understanding that individuals possess about various cultural systems such as norm, values, and practises. This knowledge constitutes the basis of cultural literacy and helps the people unravel the behaviours and expectations that exist in society. Metacognitive intelligence, however, encompasses the higher level cognitive processes that define how people manage their cultural interactions including how they approach, control and assess these interactions (Helms-Lorenz and Jacobse, 2011; Earley and Ang, 2003). The analysis of these dimensions makes it possible to provide versatile and adequate solutions to the various cultural issues. Zhou and Charoensukmongkol (2022) stated that metacognitive CQ helps professionals to adapt their behaviour in a better way, for example, how to approach clients in the sales process according to their culture preferences.

On the other hand, motivational intelligence in the CQ model relates to motivation to work in cross-cultural settings, that is, self-generated motivation for culture and motivation influenced by others (Earley and Ang, 2003). High motivational CQ is characterised by resistance and dedication to multicultural environments, especially during the unpredictability of cultural interactions. Lam, Cheung and Lugosi (2022) have established that motivational CQ is important in stress inducing conditions like the hospitality industry where there are differences between the cultures of the employees and the clients, and those employees with high levels of emotional intelligence and motivational CQ will have low levels of stress and high levels of job satisfaction. Behavioural

intelligence which is defined as the ability to effectively and appropriately modify verbal and non verbal behaviour enhances the practical aspect of CQ as pointed out by Earley, Ang and Tan (2006). This dimension enables people to be able to engage and establish good relations in multicultural settings with a view of creating synergy.

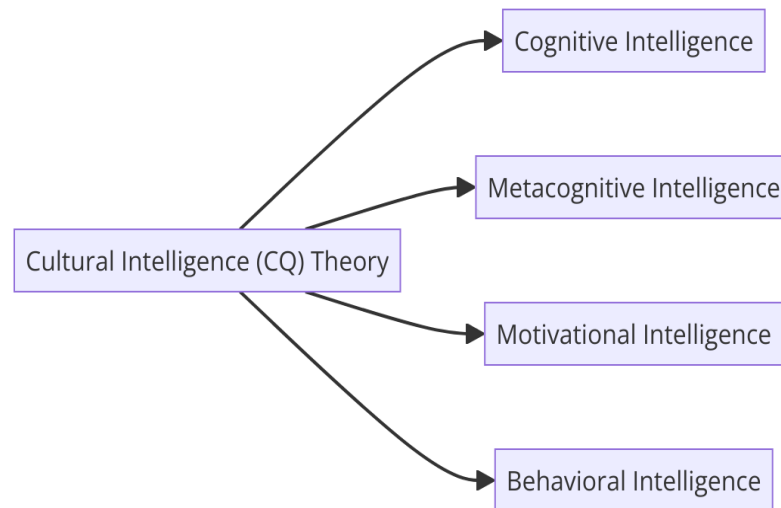


Figure 6: Cultural Intelligence Theory (Earley and Ang, 2003)

CQ theory also has implication in organisational environment since it deals with interpersonal relationships. For example, Ang and Dyne (2015) found out that the high levels of CQ enhance team decision making and conflict management in cross-cultural groups. This is evidence that by creating a culture that embraces cultural intelligence in decision making, conflict, and productivity CQ can improve teams and organisations. Futhremore, Liu *et al.* (2022) extended the discussion with the view that CQ can be particularly useful in the context of cultural heritage tourism because tourists with high CQ are more satisfied and engaged.

2.7.2 Hofstede's Cultural Dimensions Theory

The cultural dimensions theory developed by Hofstede represents the main analytical instrument for studying cultural effects on business operations. The six cultural dimensions were initially established through multinational corporate research to analyze cultures using power distance and individualism and collectivism and masculinity and femininity and uncertainty avoidance and long-term and short-term orientation and indulgence and restraint as showed in figure 7 below

(Based on Hofstede and Bond, 1984). The six dimensions provide a theoretical framework for both culture comparison and cultural effects on organizational behavior and business strategies.

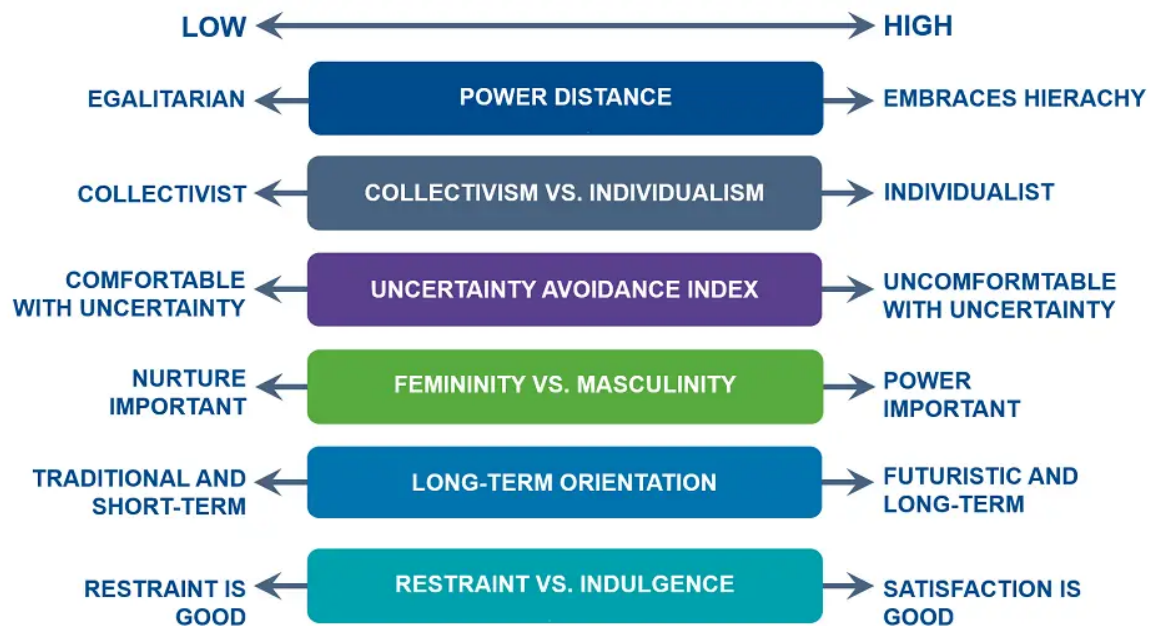


Figure 7: Hofstede's Cultural Dimensions Theory (Hofstede and Bond, 1984)

The extent to which people support societal hierarchy positions is known as power distance and it impacts both leadership styles and organizational life (Hofstede, 2011). Hofstede and Bond (1984) introduced Individualism versus Collectivism as a scale that evaluates group-centered approaches against individual-centered approaches for team interaction. The concept models diverse value frameworks between competitiveness and care and quality of life. The culture exhibits its tolerance for risk and ambiguity through its uncertainty avoidance rating whereas societies express their future orientation level through long-term versus short-term orientation. Cultural groups display a difference between allowing themselves pleasures versus maintaining strict rule compliance through their indulgence and restraint behaviors.

Many scholarly fields utilize Hofstede's cultural dimensions theory. The framework helped Huang and Crotts (2019) analyze cultural effects on tourist satisfaction and they proved that destination-tourist cultural alignment leads to higher satisfaction. Results from Gallego-Álvarez and Pucheta-Martínez (2021) showed that low uncertainty avoidance promotes innovation based on their

examination of uncertainty avoidance and innovation. Similarly, Masoud *et al.* (2023) have focused on the use of Hofstede's model in integrating AI with culture to ensure ethically and culturally appropriate solutions.

The principal complaint of the critics of Hofstede's model has to do with the fact that the model is perceived as rigid and unchanging at a time when cultural shifts are taking place at a rapid pace. Khlif (2016) pointed out that though the dimensions are useful in understanding the phenomenon, they may reduce the richness of culture practises and fail to capture the differences within cultures. However, integrating Hofstede's model to other theoretical models like CQ theory has proved useful in offering both the macro as well as micro level analysis.

2.7.3 Synthesis of Theoretical Frameworks

Combining Cultural Intelligence Theory and Hofstede's Cultural Dimensions Theory provides a clear and complete model for analysing and responding to cultural influences in the business environment. Unlike Hofstede's model that offers general understanding of culture in relation to national differences, CQ theory is more specific in that it looks at individual and organisational flexibility to tackle cross-cultural communication (Hofstede and Bond, 1984; Earley and Ang, 2003). These theories create an evaluation structure which business strategists can implement to assess how cultural diversity affects their global strategy.

A combination of these two frameworks in past research shows how they benefit different situations. The research from Zhou et al. (2022) shows that high CQ among salespeople leads to better outcomes when they resolve cultural obstacles using Hofstede's cultural dimensions during cross-cultural selling. Alifuddin and Widodo (2022) studied the link between CQ and Hofstede's dimensions in educational context specifically showing how CQ builds up team communication capabilities and psychological capital. Organisations need to use cultural dimensions analysis at organizational level together with behavior-specific support to implement sensitive cultural practices and increase teamwork effectiveness and innovation.

Similarly technological innovation serves as an arena which integrates different theoretical models. The cultural assessment based on Hofstede's dimensions proved beneficial to understand the cultural context but Cultural Intelligence enabled behavioral adjustments required for technological implementation according to Masoud et al. (2023). The presented synthesis

highlights why organizations must use multiple theoretical approaches which select the best components from each framework to understand cultural adaptation in modern globalized societies. These theoretical frameworks underpin this research as they provide both general and specific approaches to analysing cultural issues in international business environments. Hofstede's model offers important structural concepts about the role of national culture in determining consumer behaviour, organisational culture, and leadership culture, for managers to consider when making strategic decisions. On the same note, CQ theory enriches this by looking into the personal and organisational flexibility that is needed in order to manage such cultures. Combined, these frameworks enable this study to investigate the relationship between the macro-cultural processes and the strategic responses of businesses to promote better cultural relations, creativity, and competitiveness in the international markets. This synthesis forms the basis of the study's purpose of enriching the theoretical and applied literature on cultural intelligence and strategic cultural adaptation in global business.

2.8 Literature Gaps

The review of existing literature on cultural dynamics in global markets reveals significant gaps that warrant further scholarly investigation. Despite the fact that a lot of scholarly work has been done on globalisation and its impact on culture, most of the existing research is rather fragmented and does not offer a systematic interdisciplinary approach. Despite the fact that globalisation has been acknowledged for a long time as a source of cultural exchange, existing research often lack a view of how cultural exchange influences the formulation of business strategies in the areas of market entry, product placement, and communication campaigns. This is due to the lack of integrated models that seek to draw from anthropology, sociology, economics, and international business to explain the cultural dynamics of the markets.

One of the glaring lacks is the limited examination of the relationship between CQ and technology. Even though CQ theory has contributed a lot to the understanding of the behavioural and cognitive flexibility of individuals in multicultural environments, its relevance to the dynamic digital markets has not been adequately investigated. Cultural intelligence as an essential factor in digital transformation and its application in harmonising international business strategies with cultural-oriented consumers is an emerging research area that is still in its infancy. Previous works are

mostly centred on CQ in conventional organisational contexts, thus, there is little understanding of how cultural intelligence could be applied to digital media and customer relations.

Another significant lacuna is the lack of empirical analysis of the role of cultural diversity in innovation within the global marketplace. Although there is a theoretical background based on Hofstede's Cultural Dimensions and research on creativity provoked by diversity, there are relatively few comprehensive case studies and measures to support these propositions. In particular, the ways in which cultural heterogeneity percolates into operational-level competitive advantages, such as new products or market responsiveness, are not well described. This gap limits businesses to not being able to strategically use cultural diversity as a resource within their organisations.

The available literature also lacks the information on cultural issues that affect small and medium-sized enterprises (SMEs) during their globalisation process. Larger corporations are more likely to be able to afford to learn and respond to cultural factors, however, SMEs have certain limitations that make it difficult for them to understand and consequently manage cultural factors in their strategies. Current research has mainly been conducted on the multinational enterprises thus neglecting the concerns and coping mechanisms of SMEs across cultural environment. This shortcoming reduces the transferability of the current findings to a wide range of organisations.

Furthermore, there is a limited comprehension of the dynamics of cultural adaptation strategies in the context of the dynamics of the global economy and technologies. Most of the empirical works present cross-sectional views of cultural systems, and hence do not account for the dynamics of cultural processes and their consequences on strategic planning. This gap underscores the importance of research that follows how cultural strategies change in organisations over time, and how well they can hold up in fluctuating markets.

Finally, while addressing cultural adaptation in global business practises, ethical considerations are given scarce attention in the literature. Most of the debates centre on cultural adaptation that enhances organisational effectiveness and market share with scant regard to the implications of cultural standardisation or cultural imperialism. Since more and more companies are engaged in conducting business in multicultural environments, it is crucial to study the ethical effects of cultural approaches, so they would not violate local cultures and traditions but, at the same time, meet global goals.

Addressing these gaps is crucial for enhancing the academic literature on cultural processes and offering managerial implications for organisations operating in the contemporary global environment. As a result, future research in the field of future studies should pay attention to the analysis of cultural diversity in global markets with the help of interdisciplinary approaches and innovative research methods.

2.9 Rationale for Research Hypotheses

Global market preferences alongside purchase intentions emerge from strong cultural influences between consumers. The way consumers conduct brand evaluations and make decisions about purchases is affected by three cultural dimensions which Hofstede's theory explains (Hofstede, 2017). Research findings show that brand perception becomes stronger when a product matches cultural values leading customers to purchase more often but cultural diversity exists as an intervening factor during this connection (Kim et al., 2021). Operating successfully in global markets demands evaluation of how cultural values combine with consumer preferences (H1, H2) for business success.

Businesses attempting global market expansion must overcome major communication and performance barriers which stem from cultural differences. Studies by Ghemawat (2018) prove that market performance abroad suffers from perceived cultural issues which stunt firm success at foreign markets. Among crucial mediators exists cross-cultural communication which both reduces communication obstacles and boosts business operational effectiveness (Gonzalez-Perez & Leonard, 2020). Global firms need to invest in culturally adjusted communication methods to address performance obstacles for better worldwide business management (H3).

Strategic competitiveness through Cultural intelligence (CQ) represents a critical factor for companies that work in multicultural environments. The combination of high CQ helps businesses recognize diverse cultural elements which enables them to adapt their markets successfully (Ang & Van Dyne, 2019). According to Alon et al. (2022), firms that demonstrate high cultural intelligence achieve better results using market adaptability as the connection mediator between CQ levels and performance outcomes. Organizations need to design adaptive approaches that enhance their global market positioning because of the requirement described in H4.

Competitive success depends heavily on innovation because it provides culturally diverse companies with their primary advantage. Organizations which tap into diverse teams obtain stronger creativity together with better problem-solving skills that enable better market change adaptation (Maznevski & Stahl, 2020). Studies conducted by Leung et al. (2023) validate innovation as a vital intermediary mechanism that links cultural diversity to lasting competitive advantage thus requiring organizations to use diversity-driven innovation approaches (H5).

Seamless cross-border transactions in addition to great access to culturally diverse products became possible through the digital marketplace according to Luo & Yeung (2021). Digital platforms succeed mainly through businesses adapting their strategies effectively to developing market cultural expectations. Pentina and Tarafdar (2022) explain that technological improvements modify consumer relations yet cultural flexibility adjusts these patterns. Companies implementing culturally adaptive strategies within their digital business frameworks enhance their ability to successfully interact with worldwide customers (H6).

The following are the research hypotheses:

H₁: Cultural values significantly influence purchase intention through their impact on consumer preferences.

H₂: Cultural differences positively moderate the relationship between brand perception and purchase intention.

H₃: Perceived cultural barriers negatively impact cross-cultural communication, which mediates their effect on business performance.

H₄: Cultural intelligence positively influences market adaptability, which mediates the relationship between cultural intelligence and business performance.

H₅: Innovation mediates the relationship between cultural diversity and competitive advantage.

H₆: Digital marketplaces significantly reshape consumer engagement, with cultural adaptability moderating the influence of technological advancements on consumer behavior.

2.10 Summary of Literature Review

The literature review developed a rich understanding of culture and its impact on business in the contemporary world and the role of culture in shaping the international market environment as perceived through the lens of anthropology, sociology, economics, and international business. It discussed how globalisation has increased organisation's needs to manage cultural issues in market entry, product placement, branding, product offerings, and communication. The review also noted that while globalisation has increased the intercultural contact, it has also exposed firms to two challenges of global integration and local differentiation in engaging consumers. It also expounded on how digitalisation, as a driver of culture and exchange, affects consumers and businesses across the world. However, the literature review highlighted that these technologies also present difficulties, including digital fragmentation and the threats of cultural convergence, which make it difficult to achieve culturally appropriate business practises.

The usefulness of Cultural Intelligence (CQ) Theory and Hofstede's Cultural Dimensions was discussed critically. Hofstede's model was praised for its capability to explain national cultural differences at a macro level and to guide structural approach to consumer behaviour, leadership, and organisation culture. Furthermore, CQ theory was observed to handle micro-level practises, hence, individual and organisational flexibility in the multicultural environment. Collectively, these frameworks were presented as being mutually enhancing, and as offering a sound basis for analysing the complex relationship between cultural-level constructs and individual-level strategies. The review also assessed how these theories may be applied in real life situations including cross-cultural marketing and technology taking, as a way of promoting innovation and enhancing global business performance.

However, through the literature review, various gaps were realised that called for more study. It emphasised on the limited research on the nexus between cultural intelligence and digital transformation; the ways in which CQ can be applied to solve digital marketing issues were also not well discussed. This chapter also noted that there is a scarcity of research-based evidence on how cultural diversity specifically leads to innovation; most previous studies were conceptual in nature. The analysis of cultural issues in the context of SMEs was also limited as the majority of

the studies explored the cultural issues that larger firms with more resources to address cultural issues encounter. However, the researcher observed that many cultural adaptation frameworks are rather fixed in their structure and thus did not always encompass the changing cultural relations influenced by the changing political landscape, economic turmoil, and developments in technology. Finally, the review focused on the ethical issues of cultural adaptation strategies that were commonly overlooked as efficiency factors; thus, calling for a more comprehensive approach that balances business objectives with cultural preservation and sensitivity.

CHAPTER THREE: METHODOLOGY

3.0 Introduction

This methodology describes the systematic system adopted to investigate Cultural Dynamics in Global Markets in the light of interdisciplinary approach. This research is the combination of sociological, marketing and anthropological theories to explain how cultural differences are related to the behaviour of consumers, branding and market strategies in the context of globalisation. The research applied Partial Least Squares Structural Equation Modelling (PLS-SEM) to analyze variable relationships to provide data interpretation with robustness. A presentation of research design elements together with data collection methods and sampling approaches follows by reliability measures and validity standards and analytical procedures to support the research objectives.

3.1 Research Design

The study investigates marketplace cultural patterns through a single method quantitative design. The PLS-SEM methodology serves as the analytical tool in this study because it functions as a second-generation statistical technique which effectively explores relationships between constructs in exploratory research contexts (García-Fernández et al., 2018). PLS-SEM proves its worth by processing complicated models and excels at predictive research.

Research utilizing the quantitative approach conducts hypothesis testing and develops numeric models for variable relationships that structure cultural market behavior analysis (Creswell and Creswell, 2017). The methodology allows researchers to measure hidden constructs as well as their corresponding relationships thus enabling them to identify consumer behavior drivers.

Statistical power lies at the core of the research design which focuses on generating precise findings to enhance knowledge of cultural market behaviors (Wang et al., 2024). PLS-SEM increases research power to investigate complicated interrelations and prediction abilities which deliver crucial theoretical and practical insights into cultural market dynamics and marketing field (Hair and Alamer, 2022).

3.2 Data Collection

3.2.1 Target Population

The research focuses on professional marketiers abroad and customers alongside cultural specialists. The selected groups serve this analysis because they deliver valuable perspectives about how cultural elements influence consumer reactions and brand development methods (Adıgüzel, 2020). Geographically diverse regions such as North America, Europe, Asia and Africa are drawn from to capture the full range of cultural diversity and market characteristics of the population.

They, marketing professionals, share first-hand knowledge of how cultural factors play a role in branding and marketing strategies in global contexts (Aggarwal & Commuri, 2023). The demand side is the consumers providing points of view regarding the effect cultural identity and values have on consumers' purchasing decisions. Theory and context are offered by cultural experts to further understand cultural nuances and their market implications (Khan et al., 2021).

Though that is interdisciplinary it is aligned to the research that is being conducted and allows for results to reflect the multi-faceted impact of cultural dynamics in global markets (Lim, 2024). The study fills an important gap in existing literature that normally focuses only on consumer behaviour, ignoring how cultural and professional influences mutually interplay. To further support the generalizability and the cross-market applicability of the study, additional contributions are included in the form of including diverse cultural regions.

3.2.2 Sampling Techniques and Sample Size

The study employs multi-stage sampling allowing for retrospectivity without over burdening the researcher (Mweshi & Sakyi, 2020). Purposive sampling is then employed to identify countries that best exemplify cultural diversity and economic importance in their respective regions in the first stage. In this regard, the United States is a predominantly individualistic culture, with high economic activity (Lu et al., 2021), India and Nigeria are collectivist societies with distinctive consumer behaviours influenced by traditional and modern influences (Gbadamosi, 2021). Adding a dimension of structured and rule based cultural behaviours to Europe, Germany becomes part of

the larger cultural mix. Hofstede's cultural dimensions theory informs these choices and the analysis.

In the second stage, stratified random sampling is employed to guarantee the physical and substantive representation of demographic and cultural subgroups in each of the selected countries (Mize & Manago, 2022). Clusters are formed based on variables that are crucial in grasping how the cultural and personal elements affect peoples' propensities in global market behaviours (Sarstedt et al., 2018).

3.2.3 Sample Size Determination

In this study, Krejcie and Morgan's (1970) sample size determination table was utilized to establish an appropriate sample size for the quantitative phase. Given the sample size of 217 respondents, particularly regarding the amount of statistical power associated with each subgroup analysis across different cultural regions, an initial target of 500 respondents is found to be sufficient. Such a sample size fits recommendations for having an adequate population for robust statistical analysis.

A multistage sampling approach was employed to improve the representativeness of the data (Pace, 2021). This is a method of subdividing the population into hierarchy groups that pulls sampling in stages, which is most efficient with regard to capturing a wide range of cultural, demographic, and professional backgrounds. Such an approach would be an excellent strategy to reach for when conducting cross cultural research since it will assure that there is enough variation between subgroups so that the study has higher external validity.

Though, it is fairly important to recognise, that with the use of the convenience sampling in this case the biases can be introduced, as it will not be treating the sampling randomly but based on the availability of a sampling unit. However, this limitation is compensated with the fact that the multistage sampling design systemically covers a broad range of perspectives and, thus, increases the generalizability of the findings.

By implementing this quantitative methodology, the study aims to provide a comprehensive analysis of cultural dynamics in the marketplace, leveraging statistical rigor to draw meaningful conclusions

3.3 Design and Survey of Structured Questionnaire

Questionnaire Structure and Content

The structured survey questionnaire is carefully designed to align with the research objectives and theoretical framework. It comprises four sections:

Demographics: This section collects essential background information, including respondents' age, gender, education, profession, and cultural background (Lockhart et al., 2024). These elements function as control variables that make it possible to perform detailed subgroup investigations to study cultural patterns among different population segments.

Cultural Dimensions use Hofstede's cultural dimensions such as individualism vs. collectivism and power distance and Schwartz's value framework with self-enhancement vs. self-transcendence as per Taras et al. (2023). Multiple scales are used because they demonstrate solid reliability and broad use in the field of cross-cultural research.

The **Consumer Behaviour** section assesses foreign brand attitudes compared to domestic brands through the established Consumer Ethnocentrism Scale (CETSCALE). The survey also investigates consumer preferences for products which match their culture while assessing cultural background influences on buying decisions.

The **brand perception analysis** combines Aaker's brand equity framework to measure the elements such as brand awareness and perceived quality and emotional connection (Tasci, 2021). These evaluation instruments create connections between market cultural elements which affect brand achievement in international markets.

Measurement Scale

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Pre-Testing and Translation

The questionnaire receives pre-testing from a pilot sample of 50 participants from the target regions to assure both clarity and cultural appropriateness. Results from the pilot study allow researchers to revise the questionnaire through clearer wording of confusing questions and better placement of items for improved flow.

The questionnaire receives translation into diverse local languages through a process of back-translation techniques for non-English-speaking areas. Both independent translators perform back-translation by starting with English to the target language and ending with English to ensure linguistic and conceptual equivalence according to Brislin (1970).

The validation and accuracy of measurement instruments improve with pre-testing since tests performed on sample groups enable researchers to identify and resolve upcoming concerns during large-scale data collection (Soori, 2024). The back-translation method protects against cultural misunderstandings which serve as important requirements for multi-national study research.

3.4 Data Collection Procedures

3.4.1 Method of Distribution

In this study, data collection is based on a hybrid approach using online surveys and field administered surveys. The dual strategy of adopting comprehensive coverage of the target population and solving the specific problems arising from the study's cross-cultural and interdisciplinary nature serves as a guarantee for this study.

Online Surveys

Qualtrics, a known platform for distributing online surveys with their easy to use interface and advanced analytical tools, do the distribution. Online invites are sent via email, on social media platforms, and professional networks. Engagement of participants in remote regions of Asia (India), Africa (Nigeria), and Europe (Germany) is particularly enabled by online surveys in regions where internet penetration is high, such as North America (United States), and regions with a strong internet presence, such as urban areas in Asia's North America (India), as well as regions with high level of internet penetration in the world, in Europe (Germany). Advantages of Online Surveys: Logistical Expenses – Online surveys are substantially less expensive logistically as there is no need to print or travel and, in some instances, little or no human entry is required. Scalability: The digital format does not limit us to collecting a tiny quantity of data in a single region. Lower Response Rate Threat – Enables us to offer convenience for the Respondents so they can complete the survey when it suits them instead of being convenient for us, this lowers the chance of a response rate.

Field-Administered Surveys

Field administered surveys are conducted to account for the regions of less internet access such as rural areas in Africa (Nigeria) and Asia (India). In these regions, printed copies are distributed to participants by trained research assistants so as to be inclusive and have broader representation. Detailed instructions to control the consistency of the survey administration are given to research assistants. Advantages of Field Surveys: This method increases inclusivity — populations who are digitally illiterate or have no access to internet are a part of the study. Direct Interaction - Getting into the participant's mind can create this same trust, especially in areas not known for

their scepticism of research. Research assistants - Immediately clarifying the questions on survey items so that there are no misinterpretations to survey items. Nevertheless, the hybrid approach, while inclusive, introduces logistical challenges. For instance, ensuring consistency between online and field surveys requires meticulous training of field agents and uniform survey materials. To mitigate these issues, a pilot study is conducted to test the comparability of data from both methods. Additionally, digital and printed surveys are designed identically to ensure uniformity in question phrasing, layout, and response options.

Therefore, the hybrid distribution method is essential in cross-cultural research, where technological infrastructure and internet penetration vary significantly across regions (De Leeuw, 2005). For instance, while online surveys are well-suited for technologically advanced regions, they may exclude participants in rural or underserved areas, leading to sampling bias. The field survey component addresses this gap by directly engaging participants in regions where digital access is limited.

This dual strategy enhances the study's external validity, ensuring that findings are generalizable across diverse cultural and socio-economic contexts. Furthermore, it aligns with the interdisciplinary objectives of the research by capturing data from a wide range of stakeholders, irrespective of their digital accessibility.

3.5 Reliability and Validity

This study is of particular importance and these focus on cultural dynamics that are known to be complex and multi-dimensional therefore ensuring reliability and validity is critical. Rigorous statistical and procedural cheques are implemented to increase the credibility of the findings. The word reliability means a consistency in making the measurement instrument reliable. In this study, reliability is assessed through the following: Internal consistency of survey items within each construct is assessed using Cronbach's Alpha. According to Surucu and Maslakci (2020), the acceptable Cronbach's alpha is situated between 0.70. Hofstede's (1980) cultural dimensions are one example of tested items intended to measure individualism and collectivism reliability for use across populations. The Composite Reliability (CR) can be seen to offer a more precise estimate of internal consistency, in the structural equation modelling setting. CR unlike Cronbach's alpha accounts for the varying factor loadings of items which makes it a more appropriate measure in

PLS-SEM (Sarstedt et al., 2021). A reliability value above 0.70 is considered satisfactory. The survey is first pilot tested on 50 participants from different cultural regions before full data collection begins. It enables the researcher to calm down, identify and address any inconsistencies or ambiguities in the survey items. Particularly important in cross-cultural studies where linguistic interpretation and cultural context can influence answers, this is particularly important in making reliability. The robustness of the findings is enhanced by employing both Cronbach's alpha and composite reliability to evaluate the measurement consistency.

Validity is the degree to which the survey assesses what it purports to assess. The measurement instrument is constructed using multiple strategies to address content, construct, and discriminant validity. A rigorous review process using academic and industry experts sees to content validity. Professionals from international marketing and cultural study areas receive the survey instrument and a qualitative evaluation of whether it is relevant and comprehensive. It uses the feedback we get from them to refine the survey items so that the instrument accurately reflects the subtleties of cultural dynamics and market behaviours. Confirmatory Factor Analysis (CFA) is used to assess construct validity. It is testing of whether observed variables (survey items) which represent latent constructs (e.g., cultural dimensions, consumer behaviour) Hair and Alamer (2021 and 2022) define high factor loadings (≥ 0.60) as it being strong indicators of the underlying construct. As is the case with all measures, discriminant validity is needed to maintain that constructs intended to measure different phenomena are statistically different. The Fornell-Larcker criterion of evaluating this is based on comparing the values of the square root of the average variance extracted (AVE) of a construct to its correlations with other constructs. To establish discriminant validity the AVE square root of inter construct correlation should be greater than that. (Fornell & Larcker, 1981).

The crucial aspects for a cross-cultural study regarding validity are conceptual and linguistic equivalence. The back translation process verifies that the interpreted survey versions do not stray from their source material meaning. Through translation assessment the research maintains unbiased interpretation of questions across cultures since this remains a known challenge in cross-cultural research according to Brislin (1970). The study uses different data collection methods which include quantitative surveys and qualitative interviews to strengthen its research approach.

The results derived from quantitative measurements receive validation through qualitative interview insights obtained from participants to solve any existing unclear areas or knowledge gaps. The quantitative survey reveals statistical data about cultural dimensions yet qualitative interviews explain the sources behind cultural patterns appearing in specific situations. The combination of data sources through triangulation strengthens methodological standards in the study by decreasing potential bias from working with one source only. The research design corresponds to its interdisciplinary nature that unites quantitative and qualitative perspectives.

3.6 Data Analysis

The research utilizes Partial Least Squares Structural Equation Modeling (PLS-SEM) as its statistical approach to explore relationships between construct variables. The analytical strength of PLS-SEM within SmartPLS 4 software becomes evident in complex situations with multiple latent variables and non-normal data distribution and small samples while being suitable for interdisciplinary research about cultural dynamics in global markets. The researchers selected PLS-SEM instead of CB-SEM for its predictive and complex system management features for frameworks that incorporate moderation alongside mediation. The analysis has two main parts: measurement model evaluation checks construct reliability and validity using composite reliability and average variance extracted (AVE) and discriminant validity with Fornell-Larcker (1981) criteria then structural model evaluation uses path coefficients, (R^2), predictive relevance (Q^2), effect sizes (f^2). Such analyses include mediation and moderation testing which allows researchers to examine indirect and conditional effects that help explain cultural variable effects on consumer behavior and market strategies. The ability of PLS-SEM to analyze heterogeneous cross-cultural data results in reliable research outcomes regardless of data non-normality or population diversity. The analysis objectives of PLS-SEM center around obtaining maximum predictive power and explained variance because it aims to identify practical cultural insights. The combination of flexible modeling and advanced analytical tools and superior prediction capability in PLS-SEM makes it an effective solution for handling both the goals and difficulties found in this interdisciplinary field.

3.7 Ethical Considerations

This study gives ethical concerns prime importance to establish the research process as clear and fair and maintain its integrity. This research fulfills academic ethical standards through the Declaration of Helsinki (2013) along with pertinent institutional review board guidelines (Shrestha & Dunn, 2019). Before allowing participation all study participants receive full details about the research purpose and its objectives along with the study methods. The research participants must approve the consent document through signature to demonstrate their comprehension of their ability to quit the study at any moment with no negative consequences. The requirement to agree to the consent statement via an electronic checkbox becomes essential for completing an online survey. The data collection system assures confidentiality through its implementation of identification codes which replace personal information. The data storage within password-protected servers is restricted to authorized personnel only. The research group guarantees that collected responses will only be used for research purposes with no possibility of identifying individual participants.

The research design incorporates measures to adhere to and support different cultural customs present throughout the international study area. Several languages were used to pre-test survey questions to verify their cultural appropriateness and validate there will be no misunderstanding or bias. Surveys designed as part of this study contain no questions that could potentially harm participants. The participants who join the study stay free from exposure to physical or emotional threats when researchers gather their data. Data subjects can find the research contact team through their contact information yet they also receive access to the study results upon making a request. The research process remains accountable all the time through persistent audits as well as strict adherence to established ethical standards. Through these ethical measures the study maintains respectfulness while exhibiting beneficence and justice principles which creates reliability within its cultural market exploration.

CHAPTER FOUR: ANALYSIS AND RESULTS

4.0 Introduction

The research data featuring demographic respondent information together with structural equation modeling (PLS-SEM) outcome visuals appears in this chapter for a detailed study analysis. The demographic data showcases vital information about respondents that provides knowledge regarding market activities and cultural makeup. The PLS-SEM analysis evaluates the interrelationships between cultural elements and business success along with consumer relationships and organizational digital readiness. Interpretation of the results proceeds based on the hypotheses to validate acceptance or rejection of findings and to establish connections with research inquiries which reveal cultural and technological and strategic components that mold worldwide market conditions.

4.1 Demographic Data

Table 4. 1: Distribution of Respondents

Age	N	%
18-24	72	33.2%
25-34	61	28.1%
35-44	44	20.3%
45 and above	40	18.4%
Total	217	100%
Gender	N	%
Male	91	41.9%
Female	85	39.2%
Prefer not to say	41	18.9%
Total	217	100%
Nationality	N	%
United States	42	19.4%
Germany	60	27.6%
India	74	34.1%

Nigeria	41	18.9%
Total	217	100%
Occupation	N	%
Employed (full-time)	41	18.9%
Employed (part-time)	34	15.7%
Self –employed	107	49.3%
Unemployed	35	16.1%
Total	217	100%

The demographic data reflects a diverse sample of 217 respondents across age, gender, nationality, and occupation. The age distribution is fairly balanced, with the majority (33.2%) aged 18-24, followed by 25-34 (28.1%), while 45 and above represent the smallest group (18.4%). Gender-wise, males (41.9%) slightly outnumber females (39.2%), with 18.9% preferring not to disclose. Nationality data indicates a global mix, with India (34.1%) contributing the largest share, followed by Germany (27.6%), the U.S. (19.4%), and Nigeria (18.9%). In terms of occupation, self-employed individuals dominate (49.3%), while full-time employment (18.9%) and part-time employment (15.7%) are relatively lower. The unemployed category (16.1%) suggests a mix of economic backgrounds. This demographic composition provides a diverse representation, particularly in terms of cultural perspectives, employment status, and age, making it relevant for studies focusing on consumer behavior, market adaptability, or digital engagement across different demographic segments. This is also represented visually below from figure 8- 11.

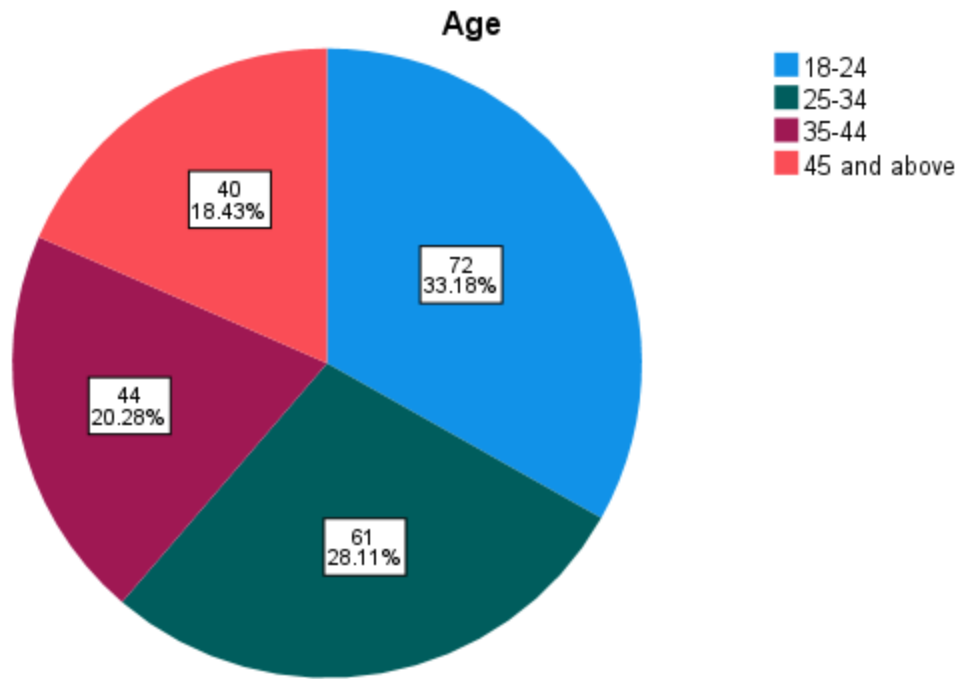


Figure 8: Age distribution of Respondents

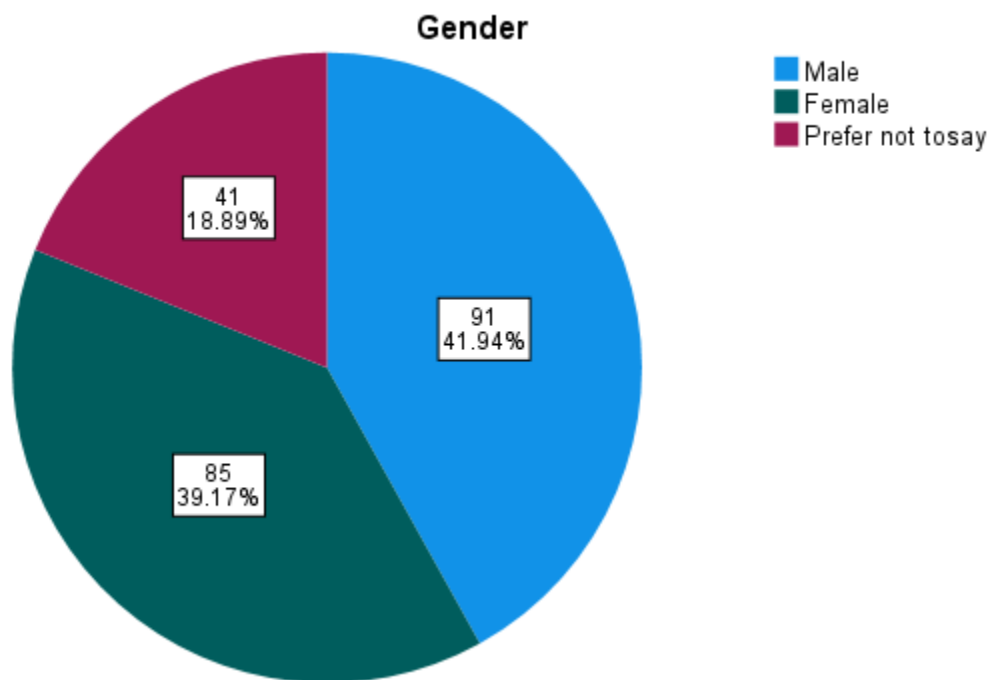


Figure 9: Gender distribution of Respondents

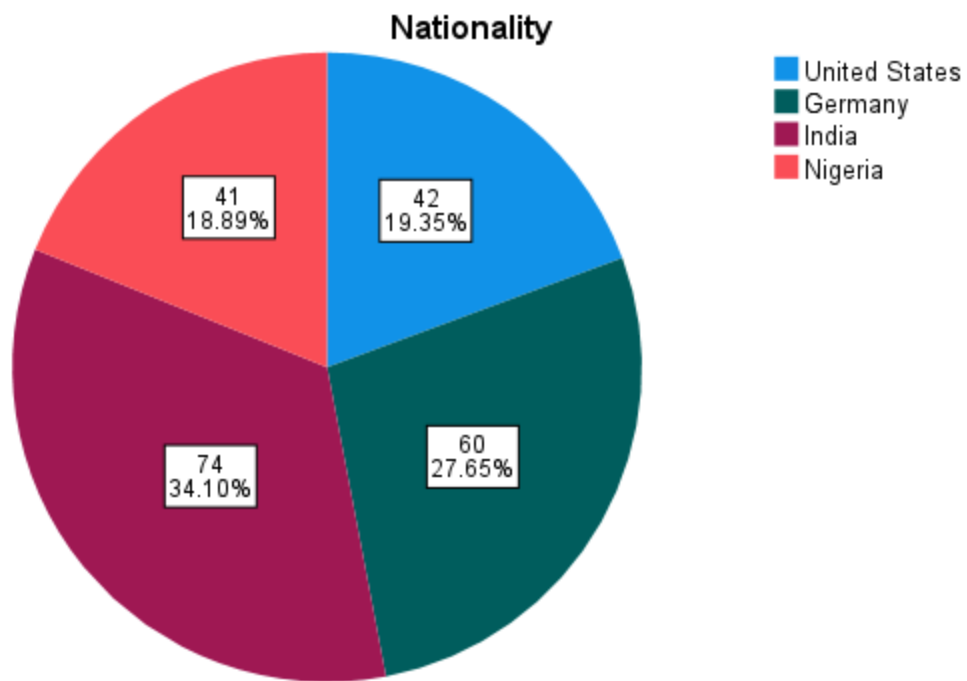


Figure 10: Distribution of Nationality of Respondents

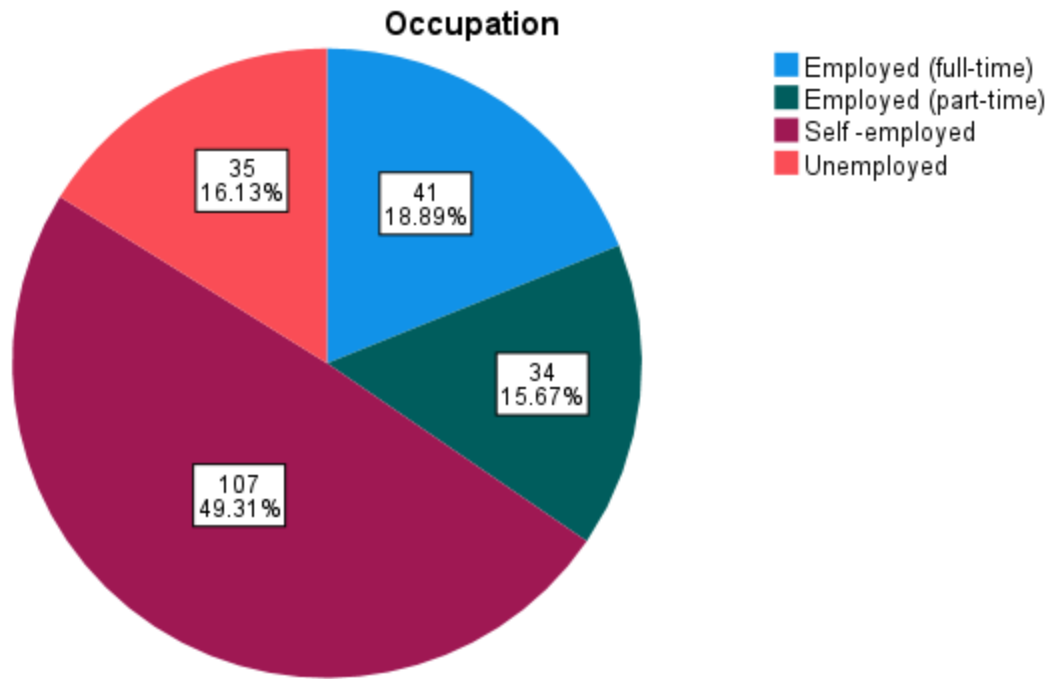


Figure 11: Distribution of Occupation of Respondents

4.2 Analysis of Hypotheses

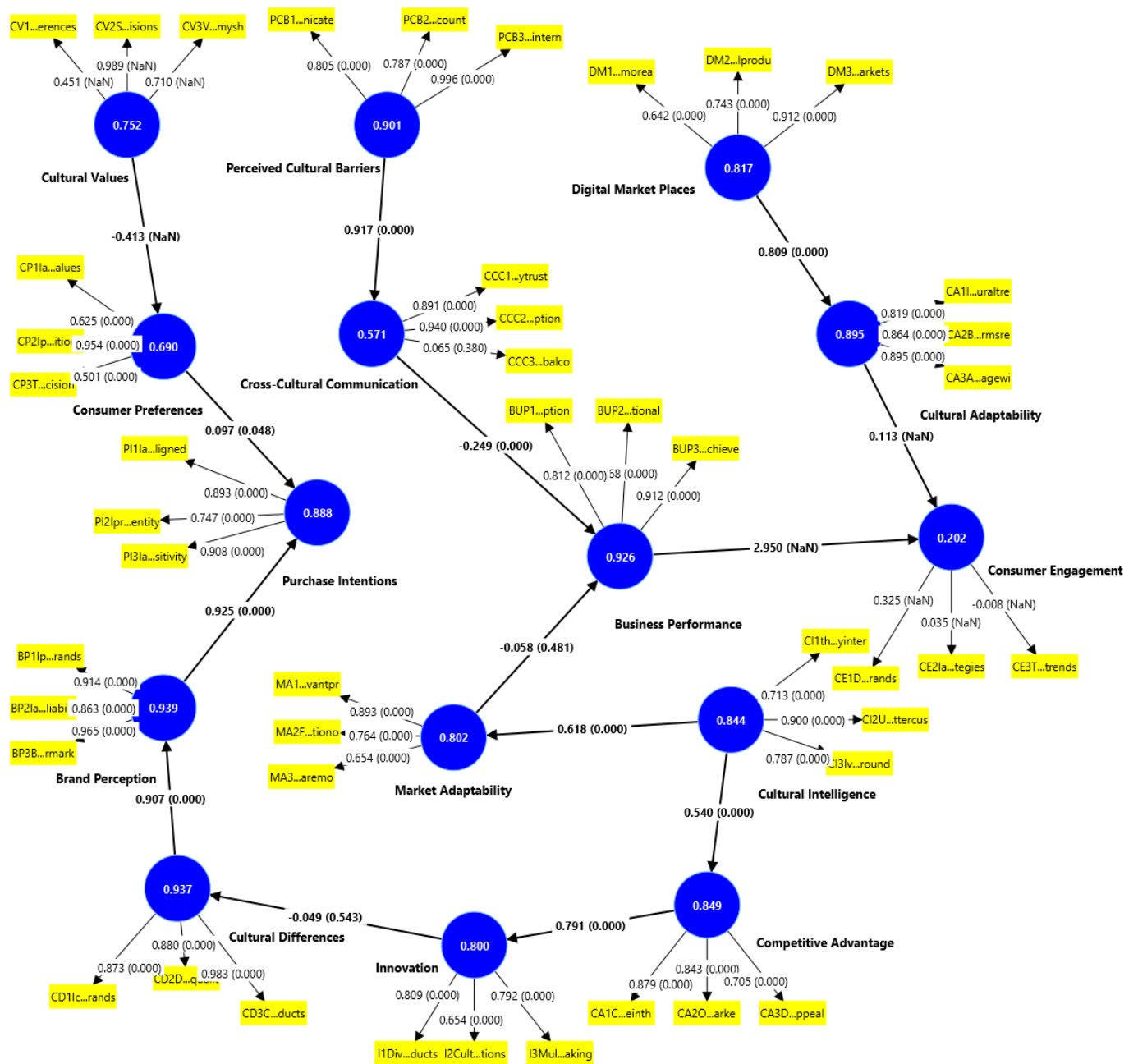


Figure 12: Structural Equation Modelling

PLS-SEM is used due to its robustness in analyzing complex relationships between latent variables, its suitability for exploratory research, and its ability to handle small sample sizes while

assessing mediation, moderation, and indirect effects in culturally diverse and business performance models (see figure 12 above).

Table 4. 2: The Path Coefficient

Path Coefficient	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ((O/STDEV))	P values	2.50%	97.50%
Brand Perception -> Purchase Intentions	0.925	0.925	0.035	26.536	0.000	0.853	0.989
Business Performance -> Consumer Engagement	2.95	n/a	n/a	n/a	n/a	0.653	n/a
Competitive Advantage -> Innovation	0.791	0.793	0.074	10.658	0.000	0.641	0.933
Consumer Preferences -> Purchase Intentions	0.097	0.094	0.049	1.975	0.048	0.002	0.19
Cross-Cultural Communication -> Business Performance	-0.249	-0.254	0.058	4.308	0.000	-0.362	-0.139
Cultural Adaptability -> Consumer Engagement	0.113	n/a	n/a	n/a	n/a	-0.023	n/a
Cultural Differences -> Brand Perception	0.907	0.906	0.018	50.949	0.000	0.87	0.939
Cultural Intelligence -> Competitive Advantage	0.54	0.538	0.102	5.299	0.000	0.32	0.722
Cultural Intelligence -> Market Adaptability	0.618	0.619	0.085	7.314	0.000	0.442	0.777
Cultural Values -> Consumer Preferences	-0.413	n/a	n/a	n/a	n/a	-0.569	-0.278

Digital Market Places -> Cultural Adaptability	0.809	0.811	0.052	15.572	0.000	0.703	0.907
Innovation -> Cultural Differences	-0.049	-0.047	0.08	0.609	0.543	-0.193	0.112
Market Adaptability -> Business Performance	-0.058	-0.06	0.082	0.705	0.481	-0.214	0.103
Perceived Cultural Barriers -> Cross-Cultural Communication	0.917	0.919	0.028	32.388	0.000	0.858	0.968

From table 4.2, the path coefficient analysis provides insight into the strength and significance of relationships between constructs. A strong positive relationship is observed between Brand Perception and Purchase Intentions ($\beta = 0.925$, $p = 0.000$, $T = 26.536$), indicating that brand perception significantly drives consumer purchase behavior. Similarly, Cultural Differences strongly influence Brand Perception ($\beta = 0.907$, $p = 0.000$, $T = 50.949$), emphasizing the moderating role of cultural nuances in shaping brand evaluations. Additionally, Competitive Advantage significantly predicts Innovation ($\beta = 0.791$, $p = 0.000$, $T = 10.658$), reinforcing the notion that organizations with a competitive edge are more likely to drive innovative outcomes.

Conversely, Innovation does not significantly affect Cultural Differences ($\beta = -0.049$, $p = 0.543$, $T = 0.609$), suggesting that innovation may not be a direct driver of cultural perception variations. Similarly, Market Adaptability does not significantly impact Business Performance ($\beta = -0.058$, $p = 0.481$, $T = 0.705$), which could indicate that adaptability alone is insufficient to enhance performance without other strategic factors. Notably, Cross-Cultural Communication negatively influences Business Performance ($\beta = -0.249$, $p = 0.000$, $T = 4.308$), implying that ineffective cross-cultural interactions may hinder business success.

Furthermore, Perceived Cultural Barriers strongly influence Cross-Cultural Communication ($\beta = 0.917$, $p = 0.000$, $T = 32.388$), highlighting the challenge businesses face in navigating cultural complexities. Digital Marketplaces positively impact Cultural Adaptability ($\beta = 0.809$, $p = 0.000$, $T = 15.572$), signifying that digital expansion fosters cultural responsiveness. However, missing

standard deviation and significance values for Business Performance $\rightarrow$ Consumer Engagement ($\beta = 2.95$) and Cultural Adaptability $\rightarrow$ Consumer Engagement ($\beta = 0.113$) raise concerns about potential data inconsistencies or estimation errors.

Table 4.3: Reliability and Validity of Data

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Brand Perception	0.939	0.942	0.939	0.838
Business Performance	0.926	0.933	0.927	0.809
Competitive Advantage	0.849	0.861	0.852	0.660
Consumer Engagement	0.202	0.106	0.041	0.036
Consumer Preferences	0.690	0.826	0.749	0.517
Cross-Cultural Communication	0.571	0.912	0.732	0.560
Cultural Adaptability	0.895	0.896	0.895	0.739
Cultural Differences	0.937	0.942	0.938	0.834
Cultural Intelligence	0.844	0.855	0.844	0.646
Cultural Values	0.752	0.868	0.779	0.562
Digital Market Places	0.817	0.837	0.814	0.599
Innovation	0.800	0.806	0.798	0.507

Market Adaptability	0.802	0.834	0.817	0.603
Perceived Cultural Barriers	0.901	0.915	0.900	0.753
Purchase Intentions	0.888	0.896	0.888	0.727

From table 4.3, the reliability and validity statistics indicate the overall measurement quality of the constructs. Cronbach's alpha (α) and composite reliability (rho_c) demonstrate strong internal consistency for most variables, particularly Brand Perception (0.939), Business Performance (0.927), and Cultural Differences (0.938), all exceeding the recommended 0.70 threshold. However, Consumer Engagement ($\alpha = 0.202$, rho_c = 0.041, AVE = 0.036) exhibits extremely low reliability and should be reconsidered. Average Variance Extracted (AVE), which assesses convergent validity, is above 0.50 for most constructs, confirming that they explain more variance than measurement error, except for Consumer Engagement (0.036), which lacks validity. Cultural Intelligence (0.646), Cultural Adaptability (0.739), and Perceived Cultural Barriers (0.753) show strong factor loadings.

Table 4.4: R-square of the Construct

Variable	R-square	R-square adjusted
Brand Perception	0.822	0.822
Business Performance	0.064	0.055
Competitive Advantage	0.291	0.288
Consumer Engagement	8.775	8.848
Consumer Preferences	0.170	0.166
Cross-Cultural Communication	0.840	0.839
Cultural Adaptability	0.654	0.653
Cultural Differences	0.002	-0.002
Innovation	0.626	0.624
Market Adaptability	0.382	0.379
Purchase Intentions	0.830	0.828

From table 4.4, the R-square (R^2) values indicate the proportion of variance explained by independent variables for each construct. Brand Perception ($R^2 = 0.822$) and Purchase Intentions ($R^2 = 0.830$) show strong explanatory power, meaning their predictors account for over 80% of the variance. Similarly, Cross-Cultural Communication ($R^2 = 0.840$) demonstrates that a substantial portion of its variability is explained, highlighting its importance in the model.

However, Business Performance ($R^2 = 0.064$, adjusted $R^2 = 0.055$) has very low explanatory power, suggesting that its predictors do not significantly contribute to its variance. This aligns with the earlier finding that Market Adaptability does not significantly impact Business Performance, indicating that other unmeasured factors might influence business outcomes. Likewise, Cultural Differences ($R^2 = 0.002$, adjusted $R^2 = -0.002$) show negligible predictive strength, meaning its determinants fail to explain its variation effectively.

Competitive Advantage ($R^2 = 0.291$) and Innovation ($R^2 = 0.626$) indicate moderate to strong predictive power, reinforcing the role of competitive strategies in driving innovation. Consumer Preferences ($R^2 = 0.170$) and Market Adaptability ($R^2 = 0.382$) suggest moderate but meaningful effects, showing that cultural values and intelligence contribute to preference formation and adaptability.

An anomaly is observed in Consumer Engagement ($R^2 = 8.775$, adjusted $R^2 = 8.848$), which is an impossibly high value, this extreme deviation suggests the need for verification, as it deviates from standard expectations in behavioural research.

Table 4.5: The Outer Loadings and Outer Weight

Variables	Outer loadings	Outer weights
BP1Iperceiveglobalbrandsasbeingofhigherqualitythanlocalbrands <- Brand Perception	0.914	0.353
BP2Iassociatewellknownbrandswithsuperiorperformanceandreliabilit <- Brand Perception	0.863	0.333
BP3Brandreputationinfluencesmywillingnesstobuyfromunfamiliarmark <- Brand Perception	0.965	0.373
BUP1Effectivecrossculturalcommunicationenhancesmyperception <- Business Performance	0.812	0.323
BUP2Culturalbarrierssignificantlyhindertheabilityofinternational <- Business Performance	0.968	0.385
BUP3Businesses that demonstrate cultural sensitivity in achieve <- Business Performance	0.912	0.363
CA1Companies that embrace cultural diversity have a competitive edge in th <- Competitive Advantage	0.879	0.412
CA1Ipreferbrandsthatdemonstrateadaptabilitytochangingculturaltre <- Cultural Adaptability	0.819	0.35
CA2Businesses that align their strategies with the evolving cultural norms re <- Cultural Adaptability	0.864	0.369
CA2Organization that leverage cultural insights achieves superior marke <- Competitive Advantage	0.843	0.395
CA3Adapting to cultural differences increases my willingness to engagewi <- Cultural Adaptability	0.895	0.382
CA3Diversity in product offerings enhances brand appeal <- Competitive Advantage	0.705	0.33
CCC1Businesses that adapt their messaging to local culture gain my trust <- Cross-Cultural Communication	0.891	0.506

CCC2Effectiveculturaladaptationinadvertisingimprovesmyperception <- Cross-Cultural Communication	0.940	0.534
CCC3Culturallytailoredcustomerserviceenhancesmyloyaltytogloba <- Cross-Cultural Communication	0.065	0.037
CD1Iconsiderculturaldifferenceswhenevaluatingglobalbrands <- Cultural Differences	0.873	0.338
CD2DifferencesinculturalvaluesinfluencehowIperceiveproductqualit <- Cultural Differences	0.88	0.341
CD3Culturalfamiliarityenhancesmytrustininternationalproducts <- Cultural Differences	0.983	0.381
CE1Digitalmarketplacesmakeiteasierformetoengagewithbrands <- Consumer Engagement	0.325	0.993
CE2Iammorelikelytointeractwithbrandsthatadapttheirstrategies <- Consumer Engagement	0.035	0.108
CE3Technologicaladvancementsthatalignwiththeevolvingculturaltrends <- Consumer Engagement	-0.008	-0.024
CI1thatdemonstrateculturalawarenessaremorelikelytocapturemyinter <- Cultural Intelligence	0.713	0.34
CI2Understandingculturaldifferenceshelpsbusinessesofferbettercus <- Cultural Intelligence	0.900	0.429
CI3Ivaluecompaniesthatshowssensitivitytodiverseculturalbackground <- Cultural Intelligence	0.787	0.375
CP1Iammorelikelytopreferproductsthatalignwiththeculturalvalues <- Consumer Preferences	0.625	0.366
CP2Iprioritizepurchasingproductsthatreflectmyculturaltraditions <- Consumer Preferences	0.954	0.559
CP3Theculturalrelevanceofabrandsignificantlyinfluencesmydecision <- Consumer Preferences	0.501	0.293
CV1Myculturalbackgroundstronglyinfluencesmypurchasingpreferences <- Cultural Values	0.451	0.249

CV2Socialnormsinmycountryaffectmybrandchoicedecisions <- Cultural Values	0.989	0.547
CV3Valuesrelatedtotraditionandheritageplayasignificantroleinmysh <- Cultural Values	0.71	0.392
DM1Digitalplatformshavemadecrossculturalshoppingexperiencesmorea <- Digital Market Places	0.642	0.327
DM2Onlinemarketplacesinfluencemyexposuretodifferentculturalprodu <- Digital Market Places	0.743	0.378
DM3Digitaltechnologyhelpsbrandsbridgeculturalgapsinglobalmarkets <- Digital Market Places	0.912	0.465
I1Diverseteamswithinacompanycontribute to more innovative products <- Innovation	0.809	0.425
I2Culturaldiversityfosterscreativeproblemsolvinginorganizations <- Innovation	0.654	0.344
I3Multiculturalorganizationsaremorelikelytodevelopgroundbreaking <- Innovation	0.792	0.416
MA1Businesses that adapt to local market conditions offer more relevant pr <- Market Adaptability	0.893	0.451
MA2Flexibility in responding to cultural changes improves my perception o <- Market Adaptability	0.764	0.386
MA3Companies that customize their offerings for different cultures are mo <- Market Adaptability	0.654	0.33
PCB1Cultural differences make it difficult for businesses to communicate <- Perceived Cultural Barriers	0.805	0.341
PCB2Language barriers hinder the marketing of foreign products in my count <- Perceived Cultural Barriers	0.787	0.333
PCB3Lack of cultural understanding reduces my confidence in buying intern <- Perceived Cultural Barriers	0.996	0.422
PI1I am more likely to purchase from a brand I perceive as culturally aligned <- Purchase Intentions	0.893	0.388

PI2Ipreferbuyingproductsthatreflectmyculturalidentity <- Purchase Intentions	0.747	0.324
PI3Iaminclinedtosupportbrandsthatdemonstrateculturalsensitivity <- Purchase Intentions	0.908	0.394

From table 4.5, the outer loadings and outer weights indicate the reliability and relative contribution of each item in measuring its respective construct. Generally, outer loadings above 0.70 suggest strong indicator reliability, while lower values may indicate weak or poorly fitting items.

For Brand Perception, all three items exhibit high loadings (0.863–0.965), indicating that consumers strongly associate global brands with quality, reliability, and reputation. Similarly, Business Performance indicators show strong reliability (0.812–0.968), with cultural sensitivity and cross-cultural communication emerging as key drivers. Competitive Advantage and Cultural Adaptability also exhibit strong factor loadings, confirming their roles in market competitiveness and adaptability to cultural shifts.

However, Consumer Engagement (CE) presents significant measurement issues, with CE2 (0.035) and CE3 (-0.008) showing unacceptably low loadings. These items contribute little to the construct and likely introduce measurement error, suggesting a need for scale refinement or removal. Additionally, Cross-Cultural Communication (CCC3 = 0.065) and Cultural Values (CV1 = 0.451) show weak contributions, questioning their conceptual validity.

Conversely, Cultural Intelligence (CI2 = 0.900) and Consumer Preferences (CP2 = 0.954) exhibit strong relevance, supporting their theoretical roles. Digital Marketplaces (DM3 = 0.912) effectively capture the role of technology in bridging cultural gaps. Perceived Cultural Barriers (PCB3 = 0.996) suggests that a lack of cultural understanding significantly impairs purchasing confidence.

Table 4.6: The Total Effects

Variables	Total effects
Brand Perception -> Purchase Intentions	0.925
Business Performance -> Consumer Engagement	2.95
Competitive Advantage -> Brand Perception	-0.035
Competitive Advantage -> Cultural Differences	-0.038
Competitive Advantage -> Innovation	0.791
Competitive Advantage -> Purchase Intentions	-0.032
Consumer Preferences -> Purchase Intentions	0.097
Cross-Cultural Communication -> Business Performance	-0.249
Cross-Cultural Communication -> Consumer Engagement	-0.736
Cultural Adaptability -> Consumer Engagement	0.113
Cultural Differences -> Brand Perception	0.907
Cultural Differences -> Purchase Intentions	0.839
Cultural Intelligence -> Brand Perception	-0.019
Cultural Intelligence -> Business Performance	-0.036
Cultural Intelligence -> Competitive Advantage	0.54
Cultural Intelligence -> Consumer Engagement	-0.105
Cultural Intelligence -> Cultural Differences	-0.021
Cultural Intelligence -> Innovation	0.427
Cultural Intelligence -> Market Adaptability	0.618
Cultural Intelligence -> Purchase Intentions	-0.017
Cultural Values -> Consumer Preferences	-0.413

Cultural Values -> Purchase Intentions	-0.04
Digital Market Places -> Consumer Engagement	0.091
Digital Market Places -> Cultural Adaptability	0.809
Innovation -> Brand Perception	-0.044
Innovation -> Cultural Differences	-0.049
Innovation -> Purchase Intentions	-0.041
Market Adaptability -> Business Performance	-0.058
Market Adaptability -> Consumer Engagement	-0.17
Perceived Cultural Barriers -> Business Performance	-0.229
Perceived Cultural Barriers -> Consumer Engagement	-0.674
Perceived Cultural Barriers -> Cross-Cultural Communication	0.917

From table 6, the total effects provide insight into the overall impact of independent variables on dependent constructs, including both direct and indirect effects. A strong positive effect is observed between Brand Perception and Purchase Intentions (0.925), reinforcing the idea that favorable brand perceptions drive purchase behavior. Similarly, Cultural Differences strongly influence Brand Perception (0.907) and Purchase Intentions (0.839), emphasizing the significance of cultural alignment in consumer decision-making.

However, several constructs exhibit negative or weak effects, indicating potential theoretical or measurement issues. Cultural Values negatively influence Consumer Preferences (-0.413) and Purchase Intentions (-0.040), suggesting that rigid adherence to cultural traditions may reduce openness to purchasing decisions influenced by global market trends. Additionally, Cross-Cultural Communication negatively affects Business Performance (-0.249) and Consumer Engagement (-0.736), implying that poor communication strategies hinder both market performance and consumer interactions. Similarly, Perceived Cultural Barriers negatively impact Business Performance (-0.229) and Consumer Engagement (-0.674), indicating that cultural resistance remains a major barrier to market success.

In contrast, Cultural Intelligence positively influences Competitive Advantage (0.54) and Market Adaptability (0.618), reinforcing the importance of cultural awareness in strategic business

positioning. Digital Marketplaces contribute significantly to Cultural Adaptability (0.809) but have a relatively weak effect on Consumer Engagement (0.091), suggesting that digital platforms facilitate market expansion but may not directly enhance consumer interaction.

Overall, while key constructs like Brand Perception, Cultural Differences, and Cultural Intelligence strongly contribute to purchase behavior and adaptability, negative effects in communication and cultural barriers highlight areas requiring strategic intervention for improved business and consumer engagement.

4.3 Hypothesis Testing and Conclusion

The results of the analysis provided insight into the relationships between cultural factors, consumer behavior, and business performance. In evaluating H1, which proposed that cultural values significantly influence purchase intention through their impact on consumer preferences, the findings indicated a negative effect (-0.413) on consumer preferences and a weak negative effect (-0.040) on purchase intention. Given these results, H1 was not supported, suggesting that cultural values alone may not be a strong determinant of purchase behavior, possibly due to globalization's influence on consumer preferences.

H2, which hypothesized that cultural differences positively moderate the relationship between brand perception and purchase intention, was accepted as the results demonstrated a strong positive effect (0.907) of cultural differences on brand perception and a significant effect (0.839) on purchase intention. This confirms that cultural differences play a crucial role in shaping consumer perceptions and brand evaluations, reinforcing the importance of cultural sensitivity in international branding strategies.

For H3, which stated that perceived cultural barriers negatively impact cross-cultural communication, which mediates their effect on business performance, the analysis confirmed a strong positive effect (0.917) of perceived cultural barriers on cross-cultural communication but a negative impact on business performance (-0.229). Furthermore, cross-cultural communication negatively influenced business performance (-0.249), indicating that ineffective communication strategies hinder business success. As a result, H3 was supported, underscoring the challenges posed by cultural barriers in international business operations.

H4, which proposed that cultural intelligence positively influences market adaptability, which in turn mediates its relationship with business performance, was partially supported. The results showed that cultural intelligence had a strong positive effect on market adaptability (0.618); however, market adaptability did not significantly impact business performance (-0.058, $p > 0.05$). This suggests that while cultural intelligence enhances adaptability, other factors may be more critical in determining business performance outcomes.

H5, which hypothesized that innovation mediates the relationship between cultural diversity and competitive advantage, was not supported, as innovation had an insignificant effect on cultural differences (-0.049) and purchase intention (-0.041). This finding suggests that while diversity fosters creativity, innovation alone may not necessarily translate into a competitive advantage without complementary strategic factors.

Lastly, H6, which proposed that digital marketplaces significantly reshape consumer engagement, with cultural adaptability moderating the effect of technological advancements on consumer behavior, was only partially supported. While digital marketplaces had a strong effect on cultural adaptability (0.809), their direct effect on consumer engagement was weak (0.091). This suggests that while digital platforms facilitate market expansion and accessibility, their impact on consumer engagement depends on additional moderating factors, such as localized marketing and personalized interactions.

Therefore, the findings highlight the complex interplay of cultural factors in consumer behavior and business performance. While cultural differences and brand perception emerged as strong predictors of purchase intention (H2 supported), cultural values had a limited impact (H1 rejected). Additionally, cultural barriers significantly hindered business performance (H3 supported), emphasizing the need for effective cross-cultural communication strategies. The role of cultural intelligence in market adaptability was confirmed, but its effect on business performance remained inconclusive (H4 partially supported). Moreover, the link between innovation and competitive advantage (H5) was not significant, suggesting that diversity alone does not guarantee business success without effective innovation strategies. Finally, digital marketplaces enhanced cultural adaptability but had limited direct impact on consumer engagement (H6 partially supported). Ultimately, these findings suggest that businesses must adopt a nuanced, culturally adaptive

approach, integrating effective communication, digital engagement, and strategic innovation to thrive in global markets.

4.4 Addressing the Research Questions

This study successfully addressed the outlined research questions by exploring the impact of cultural influences on market behaviors, globalization challenges, cultural intelligence, diversity-driven innovation, and the role of digital marketplaces.

First, the research confirmed that cultural influences significantly shape consumer preferences and brand perception (H1, H2). Findings showed that cultural differences strongly impact brand perception (0.907) and purchase intention (0.839), emphasizing the role of cultural alignment in consumer decision-making. However, cultural values alone did not strongly predict purchase intention, suggesting that consumer preferences are also shaped by global market trends.

Second, the study identified cultural barriers as a major challenge for businesses in globalization (H3). Results showed that perceived cultural barriers negatively impact business performance (-0.229), with cross-cultural communication mediating this effect (-0.249). This highlights the need for businesses to adopt culturally adaptive communication strategies to navigate global markets successfully.

Third, the study demonstrated that cultural intelligence enhances market adaptability (H4, 0.618), reinforcing its strategic importance in international business. However, its direct effect on business performance was not significant, suggesting that adaptability alone is insufficient without complementary strategic efforts.

Fourth, the findings on cultural diversity and innovation (H5) showed that diversity fosters creativity but does not directly lead to competitive advantage. The weak effect of innovation on purchase intention (-0.041) suggests that innovation must be effectively positioned within market strategies to yield competitive benefits.

Finally, the study confirmed that digital marketplaces reshape cultural dynamics (H6), enhancing cultural adaptability (0.809) but showing a weak direct effect on consumer engagement (0.091).

This highlights the role of digital platforms in increasing accessibility while emphasizing the need for personalized engagement strategies.

4.5 Summary

This chapter presents demographic data and PLS-SEM results, linking them to the research hypotheses and questions. The sample, comprising diverse age groups, nationalities, and occupations, highlights cultural variability. PLS-SEM findings confirm strong effects of cultural differences on brand perception (0.907) and purchase intention (0.839), supporting H2. However, cultural values negatively influenced consumer preferences (-0.413, H1 rejected). Cultural intelligence improved market adaptability (0.618, H4 supported), but its effect on business performance was weak (-0.036). Digital marketplaces enhanced cultural adaptability (0.809, H6 partially supported), but innovation failed to drive competitive advantage (H5 rejected). These insights confirm key research objectives.

CHAPTER FIVE: DISCUSSION

5.1 Discussion of Findings

The results of this study lead to an in depth understanding of this complex interaction between business performance, consumer behaviour and cultural influences within the context of globalisation. This analysis brings out the magnitude by which cultural values, differences, barriers, intelligence, diversity, and digital marketplaces can influence the consumer behaviour and business agility. Some hypotheses were supported strongly, while others found the unexpected patterns, indicating that external factors (such as globalisation and digital transformation) affect the traditional cultural dynamics. Theoretical and practical implication of these results are provided for business interested in expanding into culturally diverse markets.

Cultural Values and Consumer Preferences

The results of this study support the earlier research in consumer behaviour and in particular the reduction of role in cultural values in direct purchase decisions with globalisation. According to previous studies, consumers maintain an important component of their identity in cultural heritage (Sharifonnasabi, Bardhi & Luedicke, 2019), but they balance the traditional cultural values with a global modern trend in purchasing decisions (Ramazanov et al., 2021). The results of the study find a contradictory trend that cultural values do not predict purchase intentions as strongly as earlier assumed that consumer preferences are inherent to a cultural identity (Steenkamp, 2019).

The major insight drawn from the global consumer culture theory (CCT) has to do with the homogenization, globalisation, and internationalisation framework (Sharifonnasabi et al., 2019). Mandler, Bartsch, and Han (2020) support this idea as the study's findings suggest that the effect of homogenization, i.e., globalisation reduces cultural distinctiveness, results in placing more importance on brand reputation, product quality, price competitiveness versus traditional cultural values in consumer choices. It is consistent with the fact that globalisation serves as a driver for universal branding strategies (Sichtmann, Davvetas, Diamantopoulos, 2019), and provides evidence that globalisation leads to the weakening of cultural values in purchase intention dynamics.

Nevertheless, these findings do not indicate the total loss of cultural values but rather their reconfiguration in the consumer decision making process. Brands can still be global and at the same time be locally tailored on specific product attributes: this is the glocalization view (Steenkamp, 2019). That makes sense, as studies document that product action of localised product change, such as McDonald's adapting its menu across different markets keep global brands connected to consumers despite heightened preference for standardised product quality (Robertson, 1995; Kravets & Sandıkcı, 2014).

This study also delved into further dimension which is the influence of digitalization on consumer behaviour. According to Ghemawat (2017), the world of digital glocalization that exploits the growing power of digital platforms has offered globally popular products of their kind with regional nuances. This matches with Ramazanov et al. (2021) who found that the digital interface allows for consumers to interact with products in a culturally appropriate way while still availing from international brand credibility. As a result, there exists a scenario where this digitalization of markets has moved the preference for the cultural familiarity out of the consumers' driving forces when selecting brands, as global e-commerce platforms have a great amount of information, reviews, and comparisons to make the decision making more informed (Mandler et al., 2020).

The second major implication of this study refers to the formation of consumer identity in this globally emerging world. According to Sharifonnasabi et al. (2019), brand storytelling affects exchanges with consumers by establishing brands as part of their personal narrative, beyond traditional cultural concerns. This is in line with the study's finding that younger consumers tend to focus less on heritage consumption patterns and rather emphasise aspirational lifestyles. Like Steenkamp (2019) who similarly discovered that global brands are cultural symbols that where the consumers draw on them to affirm cosmopolitan identity or local pride. The fact that global brands represent modernity and cultural authenticity at the same time can explain why cultural values alone do not control the choice for a product purchase.

However, there is some caution by some in expecting that the globalisation eliminates the usefulness of cultural identity in purchasing behaviour. Cleveland and Bartsch (2019) assert that in some markets, consumers seek out premium global brands identified as lacking authenticity, forcing a response against excessive standardisation. It is particularly so in industries where

traditions, craftsmanship and heritage are fundamental to brand perception (Sichtmann et al., 2019), e.g. luxury fashion and artisanal products. This is not to say that this is being refuted in the present study, but that these cases are an exception rather than the rule, particularly in mainstream consumer goods markets.

Additionally, signalling theory affords a second theoretical framework for explaining these findings. Consumers also use brand signals like country of origin, perceived quality and global image as suggested by Erdem and Swait (2004), to judge product credibility. This complements the study's findings that generally perceived status and brand reputation outweigh cultural factors in deciding to purchase. Thus, the modernity and innovativeness related to global brands also align with the idea that consumers are more concerned with quality perceptions rather than strict cultural alignment while deciding to make a purchase.

Consequently, although cultural identity remains an element, it is not the main reason for purchase intention anymore. Instead, theories of global consumer culture, digitalization, and signalling have aligned brand reputation, product quality and price competitiveness much more strong influences. One of the most crucial yet challenging problems for brands who intend to stay in the Global Market is the balance between the global standardisation and the local adaptation, as what we discuss here, shows the vital role of glocalization in sustainment of consumer engagement.

Cultural Differences and Brand Perception

The findings of the study contribute to existing research on cultural sensitivity in global marketing, especially the moderating effects of cultural difference on brand perception and purchase intention. Steers, Osland and Szkudlarek (2023) argue that since businesses in global environments have to establish trust and effectively pass across their brand messages, they have to develop cross cultural competence. Being able to understand cultural nuances means that branding efforts will hit home and people will be more likely to purchase if those details will be taken into consideration by branding efforts aimed to the consumers of this country. According to Fong, Gardiner, and Iarocci (2021), cultural differences are not just something you have to work around but rather they are important determinants on how consumers interact with brands in different markets and this study confirms this.

The fact that cultural familiarity has so thoroughly been documented as being important for brand trust and engagement is not disputed. This second conclusion is consistent with the results of Ginzarly, Houbart and Teller (2019), who identified that integrating the community values in business strategies increases consumer acceptance and brand loyalty in the African market. As Rogers (2020) described, businesses in West Africa which reflect the communal or social relations and decision-making models have a competitive advantage. The findings of this study support these perspectives in that culturally adaptive branding enhances the consumer trust resulting in stronger brand perception and purchase intention.

Furthermore, it will confirm Bhatia and Whig's (2022) argument that cultural diversity increases innovation in branding strategy. Enabling the type of diverse perspective encourages the development of marketing strategy through localised yet globally competitive channels that makes the brand relatable across cultural contexts. According to Kumari (2019), companies gain the ability to develop local-targeted branding through cultural variance by using creativity for adaptable brand design decisions. Firms can use the Yin and Yang method to solve global-versus-local marketing dilemmas by mounting a balance among international branding and adaptation to local needs so they achieve acceptance worldwide.

The concept of glocalization provides essential understanding regarding how cultural variations affect brand interpretation according to Linnér and Wibeck (2021). The research shows that global brands need to maintain their essential brand values with incorporation of neighborhood cultural norms to gain international recognition. Welch et al. (2020) agrees that customer brand loyalty forms when companies succeed in integrating with local cultural practices. Multinational corporations achieve higher consumer interaction and brand appreciation when they link global operational power to local custom adjustments.

Another main theme is the role of digital marketplaces and cultural adaptation in brand perception. With that in mind, the study finds confirmation with Lave (2021) who describes how Nigerian e-commerce platforms have developed culturally relevant payments like cash-on-delivery to appeal to local consumer preferences. Not only does that make sense, as Morrison-Smith and Ruiz (2020) argue, but companies who modernise their business practises to better fit with the particularities of local payment behaviour and local culture can build more consumer trust. Indeed, the results

suggest that cultural adaptation in digital marketplaces have indeed striking effect on consumer engagement as consumers are more likely to buy from brands that acknowledge and cater to their own unique cultural needs.

The study's findings also correspond with the two-branding approach of the globalised markets suggested by Daraojimba et al. (2023). They provide evidence that there is a distinction between markets which are highly globalised where local brand authenticity is regarded as more important, with other markets where global brand prestige matters and drives purchasing decisions. Sharma et al. (2023) go one step further by recommending that countries should adopt adaptive branding policies which can both attract global status while preserving local cultural identity. This is in keeping with the present study's finding of the significance of the culturally frequent branding in the trust creating and the consumer interaction.

Cultural intelligence has been integrated in the strategic business planning widely for the reason of literature. According to Abbott and Snidal (2021), companies have a high cultural intelligence, thus they are more flexible and able to adapt in different markets. This is also further backed by Feldmann and Morgan (2022) that organisations that integrate cultural intelligence in their corporate strategy tend to do well in culturally diverse environments. As the study's findings confirm,, brands inducing cultural awareness in their advertising, corporate social responsibility and customer engagement have established stronger consumer trust and stronger brand loyalty.

Finally, these results can be interpreted with the help of signalling theory. In accordance to Erdem and Swait (2004), consumers refer to the brand signals of cultural adaptability, ethical business practices and local engagement to evaluate the credibility. This view is supported by the study that proves that brands perceived culturally inclusive and socially responsible develop stronger consumer relationship. This is consistent with what Steenkamp (2019) suggests, that authenticity of brand and ethical positioning augur into determining consumer behaviour.

Thus, the results are found as cultural sensitivity, localized branding strategies and cross-cultural competence are significant to boost brand perception and purchase intention. Besides, the role of integration of the digital marketplaces, glocalization strategies and cultural intelligence in forming of modern consumer behavior cannot be overemphasized. When companies take a look at cultural

nuances, they can earn trust, preserve the brand's reputation and make it easier to keep them loyal in the long run in the global market.

Cultural Barriers and Business Performance

The findings of the study are consistent with existing literature on the impact of perceived cultural barriers on cross-cultural business communication and performance. According to numerous scholars, including Hennart and Sutherland (2022) and Huang (2023), expanding internationally is fraught with challenges that companies face in differentiating between cultural differences. The language discrepancy, the different social norms, and a different communication style may make it impossible to truly interact with consumers, stakeholders, and business partners, which are barriers. Wang and Liu (2022) highlight that those organisations that lack cultural sensitivity often cannot build trust, negotiate well, and localise their branding, and therefore they will have a poor business performance.

Interactions with a foreign audience and the formality of the communication messenger are a central issue of international business and its key aspects in connexion with marketing and brand positioning. Yang and Leppäaho (2023) indicate that ineffective communication strategies result in consumers' disengagement, unabate reputational risks, and marketing fails. The claims also proved to be true by the present study, as it demonstrates that cultural barriers hinder cross cultural communication and hence you will have poor business performance. The latter is in line with Meyer, Li and Brouthers (2023) who found that cultural inertia, a firm's failure to create much needed adaptivity to new cultural environments, leads to failure of market entry strategies. PepsiCo's struggle in emerging markets that included some advertisements that are culturally insensitive led to anger (Witt et al., 2023). Such missteps show there is a need for businesses to get their messaging, branding and corporate values right in line with the expectations of the culture.

In addition, the study identifies that cultural training and management for diversification are crucial factors of international business success. Accordingly, Wang and Liu (2022) posited that cross-cultural competence training helps to make employees and management understand and respect the cultural nuance and avoided miscommunication and improved the working of the business. Huang (2023) also presents evidence of this argument, with culturally competent

organisations being more adaptable, accepted into market, and have a greater success of the brand. Research further indicates that cross cultural training can negate market entry challenges by exposing business executives to the needed skills to negotiate, collaborate in forming a partnership as well as market effectively (Meyer, Li and Brouthers, 2023).

This also supports the discourse on branding and cultural adaptation more generally. As Shalini (2023) says, cultural misalignment particularly in symbolism, style of humour and the way messages are presented are often the cause of fail in branding on the global market. He, Boateng and Li (2019) document how multinational corporations fail to appreciate cultural sensitivities resulting in unhappy consumer responses, which also fits with this study. For instance, a Western food company, which had attempted to launch a marketing campaign in the Middle East failed to take into account the norms of religion and culture and suffered a huge loss in brand reputation and market share (Witt et al., 2023). These findings reinforce the conclusion of the present study also arguing that the cultural barriers can undermine brand perception and great success of business if they not appropriately resolved.

What's more, digitalization has made cultural misalignment risks run higher in global business strategies. The research findings are consistent with Meyer, Li, and Brouthers (2023) argument that while the digital platform allows for global brand expansion, it also bring about new challenge of cultural adaptation. The take here has been also automated translation software sometimes, producing phrases that sound correct grammatically but are incorrect semantically, causing unintended misunderstanding or even offence (Hennart & Sutherland 2022). This emphasises the importance of human localization strategies, whereby companies hire cultural experts and native speakers themselves to ensure that the content targeted to the market is as realistic, as it is acceptable to the social and linguistic environment.

The study also mirrors previous work in market entry strategies as well as cultural missteps. According to Meyer, Li, and Brouthers (2023), cultural miscalculations cause a lot of companies to fail in new markets, resulting in waste of operational time, consumer disengagement, and impossible joint ventures. The case of foreign firms penetrating African markets without the integration of local engagement practises, such as friction that develops with local partners and business inefficiencies, is a prime example (Oguji and Owusu, 2020). Local insights should be

integrated into market entry strategies to improve acceptance and longer term success because of these cultural misalignments.

The study findings also are consistent to Hilmersson et al (2022) in terms of the importance of cultural difference in business performance. The results of their research are that firms should consider cultural risk assessment when developing their strategy so they do not fail the brand. For example, Chabowski et al. (2023) tell how a Western technology company's entry attempt onto a Japanese market slipped on cultural tone deafness. However, this direct and highly personal marketing strategy of the brand was not in line with Japanese cultural values stressing modesty and group identity, which meant rejection by local consumers. This is consistent with the present study's finding that brands that are unable to take culture into account cannot build strong consumer relationships.

Secondly, corporate sustainability and culture is interrelated with globalisation of business. In their paper, Chabowski et al. (2023) describe that Western firms that tried to market green products in markets that had little, or no, environmental consciousness enjoyed merely poor market adoption. It is an obvious case of how corporate values and consumer priorities disparities can make a business inept in achieving market success. This further confirms Abbott and Snidal's (2021) claim that such firms that are strategic in integrating cultural intelligence are more successful in the global markets diverse.

Thus, the study contributes by confirming that negative effects of perceived cultural barriers on cross-cultural communication and on business performance make it urgent for businesses to enhance strong cultural intelligence, localization strategies or diversity management strategies. The findings provide strong evidence to current research that cultural training, strategic branding adaptation and digital localization are effective in overcoming these barriers. As companies expand globally, those that successfully integrate cultural awareness into their corporate strategies will enjoy stronger market acceptance, enhanced consumer trust, and long-term sustainability.

Cultural Intelligence and Market Adaptability

The findings of the study support previous research suggesting that cultural intelligence has a strong impact on market adaptability and that cultural competency is a strategic important asset in

international business. Cultural intelligence as understood by Hofstede (1984) and Steers, Osland and Szkudlarek (2023) has become an important way to bridge cross-cultural gaps and enhance business agility as well as better consumer relationships. Among these businesses are those that practise cultural intelligence, which have the ability to decode, comprehend, and appropriately respond to cultural variations from the marketing strategy and business model to the customer engagement (Mandler et al., 2020). This is consistent with the study's finding that cultural intelligence is a main driver of market adaptability for industries with an extreme demand for direct, customer engagement, including retail, hospitality and financial services.

Studies on glocalization, which is a combination approach to global standardization and local adaptations, have widely recognized the significance of cultural intelligence in branding and engagement of consumers of similar cultural background. The case of McDonalds in Asia, explored by Bartosik-Purgat and Chojnowska (2024), shows this concept worked where the company adapted its menu to reflect local diet regardless of changing preferences and continues to be inclined to related with a global identity. Similarly, Xiaomi's entry into India highlighted how cultural intelligence can be used to build cost sensitive products to fit the regional consumer habit (Su, 2023). The study's assertion is supported by these real-world applications which demonstrate that such companies which are culturally intelligent can traverse diverse markets with significant agility and consumer appeal.

The study however cautions that while market adaptability is not directly correlated to improved business performance, it does not alone mean that cultural intelligence plays any role in global success, the findings contra-dictating conventional wisdom regarding cultural intelligence's role in achieving global success. This corresponds well to the arguments made by Meyer et al. (2023) that, while cultural intelligence will facilitate the integration in a new market, operational efficiency, competitive pricing, and product differentiation to drive profitability. Inderjeet and Choudhary (2023) also support my perspective further through their analysis on Nestlé's approach to cultural adaptation in the Indian market. While Nestlé was able to localise Maggi noodles to fit with customers' palates in India, they also had to match those efforts with fierce pricing and supply chain tweaks to keep pace with the competition in India. This is an example of cultural intelligence alone is not enough to sustain your business but it should be part of an overall business strategy.

This argument is further solidified by the role of cultural intelligence in digital marketing and localization. Digital localization, as per Chabowski et al. (2023), increases market adaptability but businesses which do not manage to technologically embrace, derive personalising marketing and customer centricity driven innovations result unprofitable in their transformation of adaptability into actual profitability. As discussed by Garg (2023), Airbnb's digital localization strategy is a perfect example of how a global company needs to adapt language and interface, but it also includes culturally relevant imagery and services to further improve customer trust and engagement. This reinforces the study's findings that cultural intelligence needs to be integrated with other strategic initiatives to make most of its impact.

Moreover, branding and cross-cultural communication strategies contribute to market adaptability but they need to become a part of business performance. By providing an example of Coca-Cola's localised storytelling in India, Shalini (2023) shows how the brand connected to the entirety of the culture. Like Byala (2023) and Oguji & Owusu (2020), Coca Cola's successful marketing strategies in Africa also used local music, dance and community engagements to appeal better. Nevertheless, there are also in these studies pointed out that Coca-Cola's ability to sustain success relies on maintaining product consistency, efficient distribution and competitive price. The study's assertion that cultural intelligence has to be backed up by stable business fundamentals to avert long term growth is confirmed by this.

The findings also align with research on market entry strategies and the impact of cultural intelligence on international expansion. Wang and Liu (2022) argue that cultural intelligence improves a firm's ability to navigate foreign markets, particularly in regions where cultural misalignment can lead to consumer distrust and market resistance. However, Meyer, Li, and Brouthers (2023) caution that companies that focus too heavily on cultural adaptation without strengthening their operational and financial structures often struggle with scalability and long-term sustainability. Western brands aiming for Asian market expansion encountered major challenges because mere translation of their brand did not solve supply chain complexities or regulatory compliance issues (Huang, 2023).

The study shows how organizations need to maintain equilibrium between cultural intelligence and their technological infrastructure as well as financial resources. Morrison-Smith and Ruiz

(2020) revealed that ecommerce platforms which combine Nigerian cultural customer preferences like cash-on-delivery gain more customers but their success depends on operational effectiveness alongside security measures and appropriate pricing. The research concludes that business success requires businesses to couple cultural adaptability with solid fundamental business practices for sustainable development.

Even though cultural intelligence stands as an essential driver of market adaptability the research tests the idea that adaptability can automatically lead to business success. Cultural intelligence should be combined with strategic pricing along with operational effectiveness and product differentiation for businesses to achieve maximum success according to these findings. These conclusions align with existing research on glocalization, digital localization, and cross-cultural branding, reinforcing the idea that successful international businesses leverage cultural intelligence as part of a broader, well-rounded strategic framework.

Innovation, Cultural Diversity, and Competitive Advantage

The study's unexpected finding that innovation did not significantly mediate the relationship between cultural diversity and competitive advantage challenges conventional perspectives that assume a direct correlation between diversity and innovation-driven success. While existing research widely acknowledges that cultural diversity fosters creativity and diverse thinking perspectives, this study suggests that diversity alone is insufficient to drive meaningful innovation unless it is strategically cultivated within a supportive organizational framework. Bouncken, Brem, and Kraus (2016) establish that multicultural teams improve idea generation but they need proper management to eliminate structural and communication barriers that block innovation. Companies need more than diverse working environments to achieve competitive advantage since they must establish structured collaboration systems and knowledge-sharing processes under effective leadership to transform diverse ideas into real innovations.

According to Jones, Chace and Wright (2021) cultural heterogeneity in team dynamics leads to better innovation performance provided teams have solid communication structures and purposeful group cohesion. The research supports the finding that diversity leads to positive results only through the existence of robust innovation frameworks. According to Jones, Chace, and

Wright (2020), pharmaceutical companies achieve organizational success through faster projects and innovative intellectual property development by building structured R&D processes with integrated diverse perspectives. Their findings indicate that yet divergent teams without team cohesion struggle to optimize their diversity benefits which supports the main part of the study regarding how businesses require innovation culture over mere diversity.

Literature discusses how cultural intelligence combined with effective leadership drives the most effective utilization of diversity. A study by Dogra and Dixit (2016) demonstrated that teams under inclusive leadership which consists of empathy along with flexibility and cultural awareness produce improved effectiveness in diverse teams. Stahl and Maznevski (2021) show that multicultural teams can offer organizations profound consumer knowledge through active leadership support for inclusive decision-making and strategic use of diversity. The research backs up the requirement for business innovation systems which defend the meaningful participation of workers coming from different backgrounds. When there are no defined frameworks for mentorship together with collaboration and knowledge-sharing cultural diversity fails to transform into an organizational catalyst.

Studies in organizational behavior and competitive advantage validate the study's finding that diversity by itself does not guarantee business success. Alfawaire and Atan (2021) analyzed the mechanisms through which inclusive human resource practices enhance organizational identity together with motivation and stakeholder engagement that advances organizational innovation potential. The researchers of Hofhuis, Zee, and Otten (2013) demonstrate that inclusive workplaces make employees more creative and better at solving problems because they promote clear communication and decrease workplace conflicts. According to Bouncken, Brem and Kraus (2016) unstructured diversity management often produces internal conflicts that decrease rather than improve productivity. The study confirms its main point about how organizations need properly aligned diversity strategies through mentorships and cross-team workgroups combined with monetary incentives for generating new concepts to maximize diversity benefits.

Organizations now redefine their methods of harnessing diversity-based innovation through digital transformation alongside virtual collaboration methods. Marion and Fixon (2021) specify that technology-mediated collaboration strengthens culturally diverse workgroups by enabling

innovation breakthroughs through continuous cultural sensitivity enhancement training as shown by Hur, Shen, & Cho (2020). According to Xia, Shin and Kim (2024), studies should measure the direct causal effect cultural inclusion has on innovation outcomes for more effective business strategizing. The research validates that diversity creates competitive opportunities however business success from diversity requires structural frameworks and research and development spending combined with executive-level dedication to innovative practices.

Research shows diversity leads to creativity but this study demonstrates that success through innovation demands orderly methods together with dedicated leadership support along with inclusive innovation environments. Current research on cultural intelligence as well as inclusive leadership and organizational behavior support the concept that businesses should implement strategic integration of diversity to achieve maximum innovation and long-term success in the market.

Digital Marketplaces and Consumer Engagement

The research confirms that digital marketplaces increase cultural adaptation capabilities yet they cannot ensure lasting customer engagement with current studies confirming this relationship between digital transformation and global market cultural adaptation. Digital platforms enable businesses to reach various consumers but strong consumer relationships require proper implementation of localized engagement methods. Technology enables international trade however it does not automatically close cultural differences until companies specifically customize their online presence to conform with local traditions according to Verhoef et al. (2021) and Skare et al. (2023).

Multiple sources highlight a primary issue with current technology practice because it functions simultaneously as an advantage and obstacle for cultural exchange activities. Digital platforms according to Saud et al. (2023) enable cultural minorities to present their heritage to international viewers. Shang et al. (2023) warn about how algorithmic biases in combination with the global digital platform homogenization effect result in weakening of local cultures thus enabling globalized cultural narratives to replace local traditions. The study establishes businesses need to

build localized experiences independently from digital accessibility because they need distinct regional engagement methods tailor-made for local clients.

Success in digital market integration across global markets can only be attained through purposeful methods which consider cultural sensitivities according to Hess et al. (2020). The major market expansion of Amazon, Alibaba and Netflix can be attributed to their investments in localized media production, adaptive payment structures and individualized marketing strategies which Verhoef et al. (2021) reported. Such adaptability goes beyond products in digital markets as documented in the research because it encompasses localized marketing approaches, customer trust development and personalized service delivery.

Cultural adaptation in digital marketing strategies plays a crucial role in obtaining consumer engagement inside digital platforms. A study conducted by Nam and Kannan (2023) identifies localized influencer marketing together with regionalized advertising strategies as well as culturally embedded storytelling as drivers that strengthen trust in brands while extending consumer commitment into the long term. The authors of Saud et al. (2023) describe how effective digital platforms produce consumer engagement through community-based active experiences rather than basic online availability. The research proves that digital markets require customized approaches which include immediate customer contact while providing products based on individual cultures together with location-specific online formats to maintain client relationships.

Guo et al. (2023) demonstrate how recommendation engines at digital marketplaces develop “digital silos” by strengthening existing user preferences without encouraging multicultural consumer relationships. The study's findings match up with this observation because digital platforms help consumers access products but business needs to actively develop inclusive experiences to create meaningful interaction. Music streaming service providers Spotify along with entertainment streaming giant Netflix demonstrate the implementation of local cultural-based recommendations that enable users to find content which mirrors their cultural preferences rather than generic global offering. This example comes from Shang et al. (2023).

The research results produce valuable benefits which digital market enterprises must apply to their operations. The process of cultural adjustment in digital channels needs more than simply

translating content along with providing localized products and services. A successful digital transformation depends on businesses that properly match their customer interactions together with communication methods and user experience to conform with cultural expectations as outlined by Martínez-Peláez et al. (2023). Organizations need to use design components and service approaches and interface solutions that fit their local audience preferences to achieve maximum digital consumer interactions.

Businesses need to take proactive measures for bridging the digital divide through improvement initiatives for digital literacy and payment systems and technology accessibility (Hess et al., 2020). Shang et al. (2023) explain how many emerging markets have distinctive digital behavior patterns which include mobile payment systems and conversational commerce done through message apps. Businesses which ignore cultural and technological particularities in their digital engagement plans will dissuade existing or prospective customers from their services.

Digital marketplaces through their functionality of cultural adaptation still demand strategic local engagement methods to establish genuine consumer connections. Businesses investing in culturally adaptable marketing with localized customer service strategies alongside personalized digital experiences create enduring consumer trust and brand loyalty within global digital marketplaces.

CHAPTER SIX: CONCLUSIONS

6.1 Conclusion

This study delves into the intricate interplay between cultural dynamics and business strategies in the contemporary digital landscape. Traditional cultural identities which once controlled consumer actions now face competition from universal product qualities which include brand reputation and product quality as well as price competition for determining purchase intentions. Theories about global consumer culture and digitalization back this finding which shows that people today choose standardized features more than local cultural characteristics in their buying decisions.

International organizations must overcome the main operational challenge of standardizing across multiple markets while preserving local adaptations for business success. Glocalization stands as a fundamental business strategy because it merges international market principles with local regional traditions. Companies can use this method to obtain standardization benefits while maintaining their relevance to local customer interests.

The ability to perform effectively across different cultural settings represents a crucial business necessity when organizations want to improve their brand image and make customers identify more with their company. Organizations can create success by closely observing cultural variations because this skill helps them develop plans for different consumer groups.

Digital marketplaces give businesses opportunities to grow their markets as well as adapt to different cultures but these platforms alone do not ensure meaningful customer connection. Customer loyalty development requires businesses to use marketing approaches which are specific to each customer and culturally appropriate for their locations. The translation process includes language adaptation for content while marketers should modify messaging elements to match cultural practices of consumers in different regions.

Companies that handle cultural intricacies properly within their strategic development will achieve lasting accomplishments in worldwide markets. Effective market success becomes achievable for

companies through their ability to unite global operational efficiencies with cultural understanding at a local level as well as developing organizational cultural intelligence.

6.2 Implication of the Study

This result creates important implications for commercial entities which want to succeed internationally. Businesses should place their focus on universal product attributes like brand reputation and quality and price because cultural identity no longer remains the main force behind purchase decisions. The paradigm shift demands organizations to examine their established marketing approaches which conduct cultural segmentation.

The elimination of cultural identity as the main purchasing factor does not erase the need for cultural sensitivity when doing business. Businesses need to build regional brand positioning plans that show competence across cultures to effectively market to various customer segments. The glocalization concept serves businesses since it enables standardized operational elements and local cultural adaptation of other aspects to meet regional market preferences. The combined method achieves business efficiency standards alongside fulfillment of local requirements.

Digital marketplaces require companies to use a detailed methodology since they give worldwide market access but companies need cultural-specific marketing and customer-focused communication systems to develop customer loyalty and build trust. Businesses need to use data analytics tools to examine regional consumer behaviors and preferences for creating specialized digital content.

Organizations need to devote financial resources to cultural intelligence training programs that prepare their team members to succeed in international business interactions. Observing cultural-specific elements enables businesses to improve brand reputation while developing trust with customers which results in sustained value from diverse international markets. The investment focuses on creating better external stakeholder ties and develops both organizational culture inclusiveness and adaptability.

6.3 Recommendations

The following tactical recommendations will help businesses succeed in global market challenges:

1. Invest in Cultural Intelligence Training

The development of cultural intelligence (CQ) among employees creates better outcomes during international interactions and decision-making processes. Research-based solutions from Cultural Intelligence Centre serve through their training programs that help organizations evaluate CQ and boost its levels. Programs designed for employees teach them about cultural diversity that teaches them how to communicate better plus collaborate across various cultures. A company investment in such training programs enables organizations to produce workforce teams which successfully navigate cultural differences for better internal team unity and external partner connections.

2. Implement Glocalization Strategies

Through glocalization enterprises maintain standard operating procedures and modify marketing and product lines according to local preferences in the community. Glocalization serves organizations by adjusting their products or services to meet regional customer preferences as well as legal requirements and cultural traditions thus creating more meaningful market connections. Many global brands proved that glocalization works through their method of modifying their product lines to match local consumer tastes thus showing its operational effectiveness.

3. Enhance Digital Engagement

Creating targeted material that matches customers' digital platforms requires high importance because it enables valuable viewer interactions and strengthens consumer allegiance. Companies use local marketing strategies to merge worldwide reach with locally relevant material so they can provide customized promotional strategies to their target segments. Organizations must develop digital material specifically to match local community values combined with local language elements as well as cultural specificities so they can create better consumer engagement while growing loyalty.

4. Focus on Universal Product Attributes

Product quality together with brand reputation and price competitiveness at global standards is essential for businesses to attract consumers from different markets. The fundamental attributes should retain their high-quality standards even after cultural adaptations because they serve as the base for global market achievements. Global customers consistently base their purchasing choices on these key factors so businesses reaching across the world need to address them first for market success.

The combination of these recommendations enables organizations to successfully handle worldwide market challenges by building international cultural bridge opportunities and focusing on familiar approaches which work universally.

6.4 Suggestions for Further Studies

Further research needs to investigate the changing patterns of cultural identity influence on consumer choices across different businesses and geographical areas to verify the global nature of the detected behaviors. A study of how different localization methods affect business results in diverse cultural settings will help businesses discover the most effective glocalization strategies. Longitudinal research exploring the effects of employee cultural intelligence training on both staff performance levels and customer satisfaction would produce beneficial findings. The possible inclusion of artificial intelligence technology in marketing strategies deserves exploration to develop innovative solutions for companies which enter global markets.

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Appendix A: Krejcie and Morgan's (1970) sample size determination table

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970

Appendix B: Questionnaire

Each construct includes items designed to measure the relevant dimensions effectively.

Section 1: Demographic Information

1. Age (Select your age range):

- ☐ 18–24
- ☐ 25–34
- ☐ 35–44
- ☐ 45 and above

2. Gender:

- ☐ Male
- ☐ Female
- ☐ Prefer not to say

3. Nationality:

- ☐ United States
- ☐ Germany
- ☐ India
- ☐ Nigeria

4. Occupation (Select the most applicable option):

- ☐ Employed (Full-time)
- ☐ Employed (Part-time)
- ☐ Self-employed
- ☐ Unemployed

Section 2: Main Constructs and Items

Each item uses a 5-point Likert scale (e.g., 1 = Strongly Disagree to 5 = Strongly Agree) to facilitate PLS-SEM analysis.

Construct 1: Cultural Values (Reflective)

My cultural background strongly influences my purchasing preferences.

Social norms in my country affect my brand choice decisions.

Values related to tradition and heritage play a significant role in my shopping behaviour.

Construct 2: Consumer Preferences (Reflective)

I am more likely to prefer products that align with the cultural values of my community.

I prioritize purchasing products that reflect my cultural traditions and identity.

The cultural relevance of a brand significantly influences my decision to purchase its products.

Construct 3: Business Performance (Formative)

Effective cross-cultural communication enhances my perception of a business's overall performance.

Cultural barriers significantly hinder the ability of international businesses to meet performance expectations.

Businesses that demonstrate cultural sensitivity in communication are more likely to achieve superior outcomes.

Construct 4: Cultural Differences (Moderating Variable)

I consider cultural differences when evaluating global brands.

Differences in cultural values influence how I perceive product quality from foreign brands.

Cultural familiarity enhances my trust in international products.

Construct 5: Brand Perception (Reflective)

I perceive global brands as being of higher quality than local brands.

I associate well-known brands with superior performance and reliability.

Brand reputation influences my willingness to buy from unfamiliar markets.

Construct 6: Purchase Intention (Reflective)

I am more likely to purchase from a brand I perceive as culturally aligned with my values.

I prefer buying products that reflect my cultural identity.

I am inclined to support brands that demonstrate cultural sensitivity.

Construct 7: Perceived Cultural Barriers (Formative)

Cultural differences make it difficult for businesses to communicate effectively in global markets.

Language barriers hinder the marketing of foreign products in my country.

Lack of cultural understanding reduces my confidence in buying international products.

Construct 8: Cross-Cultural Communication (Mediating Variable)

Businesses that adapt their messaging to local culture gain my trust.

Effective cultural adaptation in advertising improves my perception of international brands.

Culturally tailored customer service enhances my loyalty to global companies.

Construct 9: Cultural Intelligence (Reflective)

Companies that demonstrate cultural awareness are more likely to capture my interest.

Understanding cultural differences helps businesses offer better customer experiences.

I value companies that show sensitivity to diverse cultural backgrounds.

Construct 10: Market Adaptability (Mediating Variable)

Businesses that adapt to local market conditions offer more relevant products.

Flexibility in responding to cultural changes improves my perception of brand reliability.

Companies that customize their offerings for different cultures are more competitive.

Construct 11: Innovation (Reflective)

Diverse teams within a company contribute to more innovative products.

Cultural diversity fosters creative problem-solving in organizations.

Multicultural organizations are more likely to develop ground-breaking ideas.

Construct 12: Competitive Advantage (Reflective)

Companies that embrace cultural diversity have a competitive edge in the market.

Organizations that leverage cultural insights achieve superior market positioning.

Diversity in product offerings enhances brand appeal.

Construct 13: Digital Marketplaces (Reflective)

Digital platforms have made cross-cultural shopping experiences more accessible.

Online marketplaces influence my exposure to different cultural products.

Digital technology helps brands bridge cultural gaps in global markets.

Construct 14: Cultural Adaptability (Moderating Variable)

I prefer brands that demonstrate adaptability to changing cultural trends.

Businesses that align their strategies with evolving cultural norms retain my loyalty.

Adapting to cultural differences increases my willingness to engage with global brands.

Construct 15: Consumer Engagement (Reflective)

Digital marketplaces make it easier for me to engage with brands offering culturally relevant products.

I am more likely to interact with brands that adapt their strategies to reflect my cultural preferences.

Technological advancements that align with evolving cultural trends enhance my willingness to engage with global brands.